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FINANCIAL ADVISER



ASSET



REALSTATE

SERVICE





Vision

“Professionally manage secured and unsecured debts for customers and related parties.”

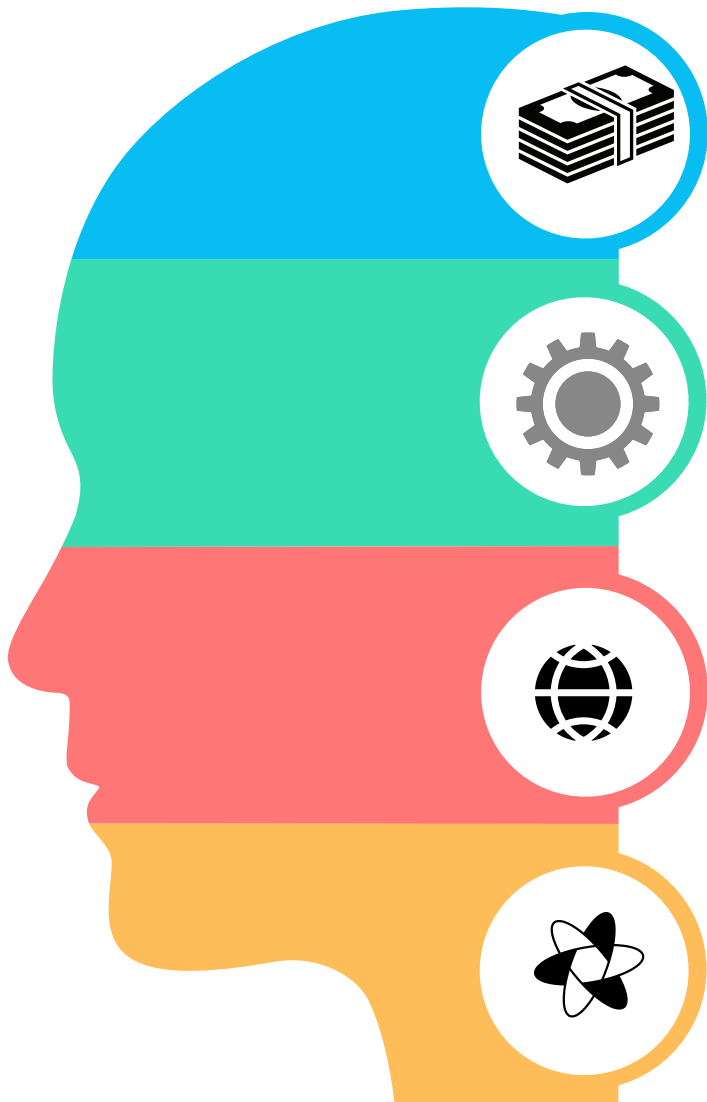


Mission

- Professionally manage according to the law and the Debt Collection Act.
- Strengthen and maintain the image of customers' and related persons.
- Lead with marketing, operate systematically across the processes completely.
- Manage with a moral system, emphasize debtor's solutions.



CHAYO's GOAL



1. Financial institution support and debtor aid
2. Pay attention to the owner's reputation.
3. Adhere to government policies in order to increase access to a source of funds in the system.
4. Identify possible real estate for future developments (both NPL and NPA)
5. Develop call center business by picking high - quality products and services to meet customer needs.

The Board of Directors



Mr. Wutisak Lapcharoensap

- Chairman of the Board
- Independent Director



Air Chief Marshal Arnon Jarayapant

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



Mr. Teeranut Thangsatapornpong

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



Mrs. Rosporn Sooksomporn

- Director
- Independent Director
- Audit Committee



Mr. Vitthaya Inala

- Director



Mr. Seksan Rangsiyeranon

- Director
- Executive Committee
- Risk Management Committee



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



Mr. Kittit Tungsiwong

- Director
- Risk Management Committee
- Nomination and Remuneration Committee
- Executive Committee
- Deputy Chief Executive Officer
- Company secretary



Mrs. Pim Pattamasing Na Ayuthaya

- Director
- Risk Management Committee
- Corporate Governance Committee
- Executive Committee
- Managing Director of Executive Support





Message from the Chairman and Chief Executive Officer

CONTENTS

Part 1 Business Operations and Business Performance

- 1. Structure and Operations of the Business Group10
- 2. Risk Management.....53
- 3. Driving Business towards Sustainability.....68
- 4. Management Analysis and Explanation76
- 5. General Information and Other Key Information.....80

Part 2 Management and Corporate Governance

- 6. Corporate Governance Policy.....85
- 7. Corporate Governance Structure and Key Information of the Board of Directors, Sub-committee, Executives, Employees and Others.....108
- 8. Report on Key Performance in Corporate Governance..126
- 9. Internal Control and Connected Transactions.....140

Part 3 Financial Statements 148

Part 4 Attachments

- 1. Details of Directors, Controlling Persons, Executives, Persons who were Assigned the Highest Responsibility in Accounting and Finance and Company Secretary.....223
- 2. Details of Directors of Subsidiaries236
- 3. Details of the Head of Internal Audit.....237
- 4. Operating Assets.....240
- 5. Corporate Governance and Business Code of Conduct Policy and Practice Guidelines.....241
- 6. Corporate Governance Report of the Audit Committee Year 2021 242

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Business Operations and Performance



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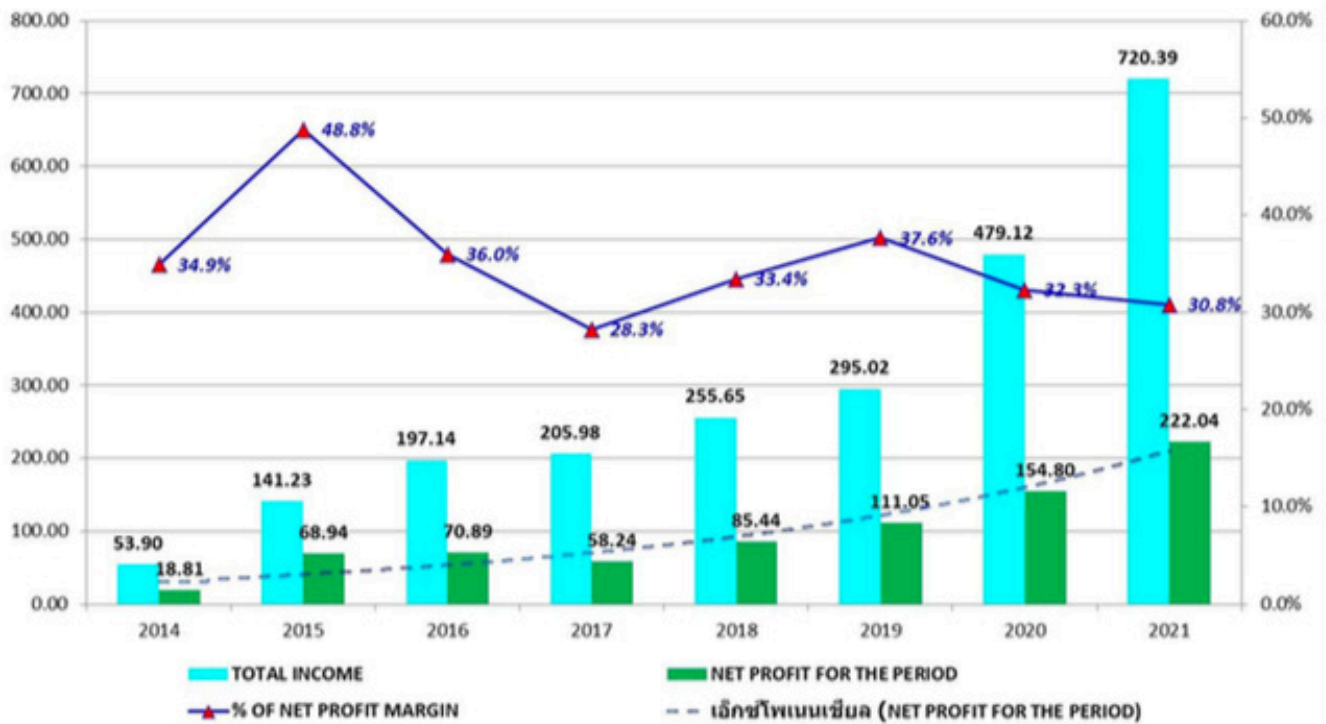
Structure and Operations of the Group

1.1 Policy and Business Overview

Chayo Group Public Company Limited (“the Company” or “CHAYO”) was transformed into a public company limited on 11 May 2017 and listed on the Stock Exchange of Thailand (MAI) on 22 March 2018 . The Company and its subsidiaries’ main business is related to non-performing loan management and debt collection services, which divide into 5 business types, according to the nature of the operation, comprising of investment and management of non-performing loans, business services for negotiating, tracking, collecting, and expediting debt, customer service center business, lending business, and selling products via call center and/or TV Shopping and/or Online channels. The Company has been operating in negotiating, and collecting debts business for almost 20 years before expanding the business to invest in non-performing loan management (or buy debt to manage) in 2014. Later in 2016, the Company established a customer service center business to expand the service scope to cover the customers’ needs that the Company is serving.

Business overview in 2021, the Company had a total revenue of 720.39 million baht, 241.27 million baht increased, or of 50.36% compared to the revenue of the previous year. The main revenue proportion of revenue are from non-performing loans’ interest at 641.86 million baht, debt collection services at 40.11 million baht, lending at 13.60 million baht, and sales at 24.82 million baht. In 2021, the Company’s net profit was at 222.04 million baht, a 43.43% increase compared to the previous year at 67.24 million baht, with gross margins at the same level, which is approximately 75.40% – 75.50% of revenue and with a net profit margin of 30.8%

In this regard, from the graph below can be seen that from 2014 (after the Company engaged in investing and managing non-performing loans) to 2021, the Company has grown continuously in revenue and net profit from operations. The Company’s average net profit margin is more than 30 percent.



Vision and Mission

• Vision

“Professionally manage secured and unsecured debts for customers and related parties.”

• Mission

- 1) Professionally manage according to the law and the Debt Collection Act.
- 2) Strengthen and maintain the image of customers' and related persons.
- 3) Lead with marketing, operate systematically across the processes completely.
- 4) Manage with a moral system, emphasize debtor's solutions.

Business Goals

The Company has the following business goals:

- For non-performing loan investment and management business, the Company aims to operate under the Debt Collection Act, B.E. 2558, which consists of helping financial institutions and debtors. (The Company focuses mainly on debtors and maintains the reputation of financial institutions) and the Emergency Decree on Asset Management Company B.E. 2541
- For the business of negotiating, tracking, collecting, expediting debt, and customer service center, the Company aims to work according to employer's needs and goals under the relevant act and laws by focusing on performance and quality, as well as giving employer's reputation as a priority.
- For lending business (Pico Finance, Nano Finance, Personal Loan), the Company has a goal responding to government policies to increase access to formal sources of funding, create a good return for the Company and solve the informal debt problem for the customers.

- For real estate development business is selecting real estate assets of potential companies to develop further (both NPL and NPA The Company is mainly supervise the location of real estate. If the Company is determined that developing gives better return than selling, the Company will consider to develop and/or improve for sales. The projects may be a condominium project, housing estates, detached houses, townhouses, or commercial buildings, which may be developed by the Company or jointly invested.
- For the sales business through call center and/or TV Shopping and/or online channels, the Company aims to expand the call center business, including product procurement and/or quality and innovative services to meet consumers' needs.
- For the overall goal, the Company is committed to expanding the operations in all aspects, especially investing in the core business, which is the non-performing loan investment and management, including auctions for non-performing loans with and without collaterals from financial and non-financial institutions, along with the continuous expansion of related services. For example, negotiation, follow-up and debt collection for financial institutions, and private companies, customer service, and product sales, lending and real estate development. With the management's vast experiences operating the business, the Company can continuously create opportunities in debt management along with other related services, ready to maintain service quality and good relationship with customers and partners, which will lead to the Company's sustainable growth. The business goals in various aspects are as follows:

1) Service and Investment

The Company aims to (1) grow in the investment and asset management business by focusing on continuous investment opportunities from secured and unsecured debt auctions, direct asset transaction and the purchase of non-performing loans (NPA). The investment depends on opportunity and a combination of factors such as economic condition, relevant regulations, debt selling of institutional, debt portfolio insights, competitors, bid prices and the worthiness of investment. The Company will use reasonable principles when considering the investment. (2) create sustainable growth debt negotiating, tracking, collecting, and expediting services business(which the Company has been doing for more than 23 years) and call center business by increasing and expanding the customer base in the service business, mainly focusing on the performance and service quality to achieve the customer or employer's agreed goals, such as monthly/quarterly debt collection goals, monthly/quarterly sales, goods and services sales goals, and debt collection targets according to the monthly/quarterly promotional policy. (3) increase the access to funding sources by giving credit to businesses and people, including promoting load for occupation. (4) increase the types, service or sales channels, including the adoption of new technologies and innovations to provide more modern services by the Company according to the changing business environment and debtors behavior, such as receiving or providing information and services through mobile devices and various platforms through social networks. In addition, the Company will continue to focus on retaining existing customer base while building new customers. The Company will continually improve and expand the service scope to financial and non-financial institutions, including participating in the auction of non-performing loans from financial institutions and other financial institutions that are not the Company's current partners to ensure that the Company's services can meet the needs and create the best impression for all types of customers. This will result in the Company being able to expand the service scope to new customers.

2) Management

The Company aims to continually increase revenue and profitability, generate revenue growth from investing and managing secured and unsecured debts, and other services that are related to the current core business of Company, such as auctions for more secured debt for management purposes, auction for the unsecured debts in credit card, personal loan debtors, hire-purchase debtor (cars and motorcycles) to be additionally managed according to the Company's expertise, properties sales acquired through auction, creating values and develop the assets acquired by the Company through auction, increasing the revenue that comes from existing customers by achieving debt collection goals, increasing the number of new customers through prudent lending, increasing the new customers' number who are the Company's former target customers in the information and communication technology group for the call center business or expanding the customer base to new target customers as opportunities, allow with the goal to maintain work efficiency, development of the debtor database system, and knowledge and competence of the Company's personnel development will be able to generate a higher rate of return, compared to the nature of the Company's past operations. In addition, the Company will continually improve and develop cost management in various areas to be more effective, for example, applying outbound dialer system, auto dialer, and finding ways to reduce bidding costs for secured and unsecured non-performing debts.

However due to the current economic situation, the bad debt at the end of 2021 was approximately at 2.97% or 530,736 million baht. The Company believes that 2022 will still be an opportunity to expand the non-performing loans investment and management business and debt negotiating, tracking, collecting, and expediting services business. In 2021, the Company bought more than 11,407 million baht of debt tot manage, using investments to buy the non-performing debt of approximately 1,281 million baht. The Company's total revenue in 2021 grew more than 50 percent compared to 2020. The revenue from non-performing loan management or debt management business grew 53.83 percent, increasing from 417.25 million baht to 641.86 million baht.

For the year 2022, the Company has set a revenue growth target of at least 25%, with a target of buying secured and unsecured non-performing debts to manage approximately 10,000 - 14,000 million baht, with an investment budget of approximately 3,000 million baht, (including Chayo JV) and plan to grow in debt negotiating, tracking, collecting, and expediting services business at least 15percent. As for the lending business, the Company has set the target of approximately 1,000 million baht in new loans for selling products through call centers and/or TV Shopping and/or online channels. The Company is in the process procuring products and/or innovations to be sold to continuously increase the revenue.

Significant Changes and Development

Year	Details
1997	<ul style="list-style-type: none"> - Registered as a limited company on 11 March 1997 with an registered capital of 3.00 million baht under the name of Write & Clay Company Limited by operating business in debt negotiating, tracking, collecting, and expediting services business.
2015	<ul style="list-style-type: none"> - Registered the name change on 1 December 2015 to Chayo Group Company Limited (CHAYO). - Restructuring the business by combining the business under a common control by acquiring the ordinary shares of Chayo Asset Management Company Limited ("Chayo AMC") and Chayo Call Center Company Limited (currently named Chayo Property Company Limited) ("Chayo Property and Service") on 23 December 2015. - Registered the capital increase of 207.00 million baht with a total registered capital at 210.00 million baht on 23 December 2015.
2017	<ul style="list-style-type: none"> - Registering the transformation of the juristic person from a limited company under the Civil and Commercial Code to a public company limited under the Public Limited Companies Act B.E. 2535 and changed the name from Chayo Group Company Limited to Chayo Group Public Company Limited on 11 May 2017. - Registered the change of par value and divide the Company's ordinary shares from 21,000,000 shares with a par value of 10.00 baht to 420,000,000 shares with a par value of 0.50 baht per share. - Registered for capital increase (On 11 May 2017) with the amount of 70.00 million baht as registered capital totaling 280.00 million baht.
2018	<ul style="list-style-type: none"> - On 22 March 2018, the Company was listed on the MAI Stock Exchange and traded on the market for the first day. - On 14 September 2018, Chayo Capital Company Limited (a subsidiary company) was established to operate the lending business (Nano Finance, Personal Loan).
2019	<ul style="list-style-type: none"> - Registered the capital increase by issuing new ordinary shares in 15.00 million baht, with a total registered capital 315.00 million baht on 3 December 2019.
2020	<ul style="list-style-type: none"> - On 29 April 2020, the Company approved to increase the registered capital by issuing ordinary shares at 126 million baht to support a warrants issuance and stock dividend by issuing new ordinary shares at 252 million, from the original registered capital at 315.00 million baht to the total of registered capital of 441.00 million baht, which the Company paid a stock dividend for 42 million ordinary shares on 28 May 2020. - On 29 May 2020, the Company established a subsidiary, namely 555 Shopping Company Limited, to sell products through call centers and/or TV Shopping and/or online channels, such as food supplements, cosmetics, beauty supplements, food, and beverages, etc. - On 25 September 2020, the Company approved the stock dividend at 44.10 million ordinary shares, paid on 21 October 2020. - On 14 October 2020, the Company established a subsidiary, Chayo JV Company Limited (subsidiary) for investment purposes and/or jointly invest in asset management business and/or related business. - On 21 October 2020, registered the increased of registered capital of the Company to 468,298,721.50 baht with paid-up capital of 352,799,064.50 baht. - On 25 December 2020, the Company moved CHAYO's listed securities from the Market for Alternative Investment (MAI) to be listed on the Stock Exchange of Thailand (SET).

Year	Details
2021	<ul style="list-style-type: none"> - On 27 April 2021, the Company approved the registered capital reduction for 5.25 million baht by eliminating 10.50 million unissued registered shares and approved the registered capital increase for 599,987,721.50 baht to support (1) Stock Dividend that the Company paid on 21 May 2021 (2) The shares issuance to support the issuance and allocation of CHAYO-W2 warrants to the Company's shareholders, according to the Rights Offering and (3) The share issuance to support the adjustment of the rights of the CHAYO-W1 warrants. - On 18 October 2021, the Company approved the registered capital reduction of 2,203.50 baht by eliminating 4,407 unissued ordinary shares, and approved the registered capital increase of 23,500,000 baht by issuing 47,000,000 new common stocks to support the adjustment of rights and the future right adjustment of CHAYO-W1 and CHAYO-W2 warrants to maintain the benefit of CHAYO-W1 warrants holder and CHAYO-W2 warrants will not be inferior to the original. - On 27 December 2021, the Company resolved to approve the Company's registered capital increase at 20,188,128.00 baht by issuing 40,376,256 new ordinary shares to support the Company's stock dividend ordinary shares, paid on 26 January 2022.



General Information of the Company

Company Name	Chayo Group Public Company Limited and Its Subsidiaries
English Name	Chayo Group Public Company Limited and Its Subsidiaries
Stock Market Abbreviation	CHAYO
Company Registration Number	0107560000214
Established Year	1997
Transformed into a Public Limited Company Year	2017
Nature of Business	Operates debt negotiating, tracking, collecting, and expediting services business from auctions/buying/accepting transfers of secured and unsecured non-performing loans from financial institutions, buy/sell property and customer service center.
Office Location	44/499-504 Phaholyothin Road, Anusawari Sub-district, Bang Khen District, Bangkok 10220
Telephone	(66) 2004 5555
Fax	(66) 2001 2555
Website	www.chayo555.com
Registered Capital	On 31 December 2021, the registered capital is at 643,673,646.00 baht consisting of: 1,287,347,292 ordinary shares
Paid-up Capital	On 31 December 2021, the paid-up capital is at 480,975,133.50 baht consisting of: 961,950,267 ordinary shares
Par Value Per Share	0.50 Baht
Industrial Group	Financial Business
Business Category	Capital and Securities

1.2 Nature of Business Operations

Chayo Group Public Company Limited and its subsidiaries (The Group) is engaged in non-performing loan management and debt collection services, which can divide into 5 business types, according to the operations nature: non-performing loans comprising investment and management, negotiating, tracking, collecting and expediting debt service, customer service center, lending business, and selling products through digital channels and customer service centers business. The Company has been in the debt negotiating, tracking, collecting, and expediting services business for over 23 years before expanding the business to focus on non-performing loan investment and management in 2014. Later in 2016, the Company has established customer service center business expanding the service scope to cover the customers' needs that the Company provides negotiation and debt collection services.

• Revenue Structure

The Company's revenue structure is classified by business type according to the annual financial statements for the year ended on 31 December 2019, 2020, 2021, the Company and its subsidiaries have revenues from such operations as follows:

Operating Revenue	2019		2020		2021	
	Million Baht	Proportion	Million Baht	Proportion	Million Baht	Proportion
Non-Performing Loan Investment and Management	231.87	72.94%	417.25	80.18%	641.86	79.66%
Debt Negotiating, Tracking, Collecting, and Expediting Services Business	61.37	19.30%	51.32	9.86%	40.11	4.98%
Loan Business	1.78	0.56%	7.55	1.45%	13.60	1.69%
Customer Service Center Business	-	-	-	-	-	-
Merchandising Business	-	-	3.00	0.58%	24.82	3.08%
Total Revenue from Services and Investments	295.02	92.80%	479.12	92.07%	720.39	89.40%
Other Revenues	3.20	1.01%	4.02	0.77%	9.42	1.17%
Profit from Foreclosed Properties Sales	19.69	6.19%	37.24	7.16%	75.98	9.43%
Total Revenue	317.91	100%	520.38	100.00%	805.79	100.00%

• Product Information

(1) Characteristics of Products, Services and Innovation Development

CHAYO (Chayo Group Public Company Limited) whereas holding company is a service provider for negotiation and debt collection for financial institutions (Commercial Banks) and ordinary companies (Private Company in Information and Communication Technology Group) listed on the Stock Exchange of Thailand also the debt and non-performing loans auction both secured and unsecured from ordinary companies which are not financial institutions and are not under the Bank of Thailand's supervision.

Chayo AMC (Chayo Asset Management Company Limited), as a subsidiary, is mainly engaged in the investing and managing non-performing loans business acquired from auctions or purchased from financial institutions.

Chayo Property and Service (Chayo Property and Service Company Limited) as a subsidiary is a service provider of customer information centers and/or sells products and services to employers, providing services for negotiating, tracking, and expediting debt to Chayo AMC, as well as ordinary companies (Private Company in Information and Communication Technology Group) listed on the Stock Exchange of Thailand. Chayo Property and Service is also a bidder to buy debt and manage non-performing loans that auction from ordinary companies that are not financial institutions and are not under the Bank of Thailand's supervision. Chayo Property and Service also operates a personal loan business under the Pico Finance warrants (which was licensed by the Ministry of Finance on 29 August 2019) and runs a real estate development business. Currently, the Company has not yet operates the aforementioned business.

Chayo Capital (Chayo Capital Company Limited) as a subsidiary, operates personal loans under supervision and microfinance business under supervision. The business operations must be under the Bank of Thailand's supervision, which the Company received a warrant from the Bank of Thailand in the loans business for NANO FINANCE and PERSONAL LOAN and the Company has additionally notified the personal loans business under supervision with vehicle registration as collateral to the Bank of Thailand.

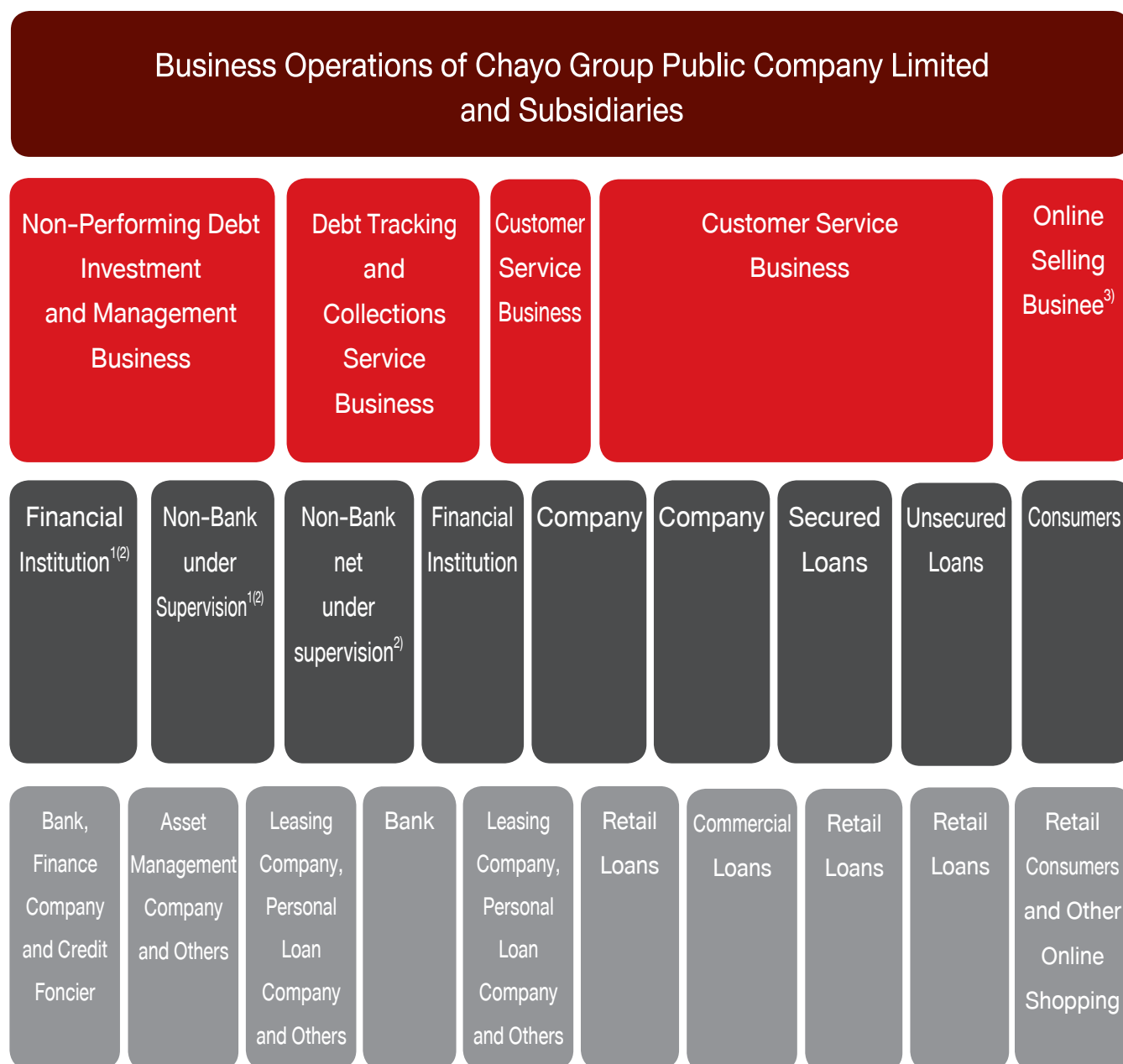
555 Shopping (555 Shopping Company Limited) as a subsidiary, sells products through call center and/or TV shopping and/or online channels, for example, food supplements, cosmetics, beauty supplements, food and beverages, production of other food products, etc., Currently, the business operations is halting to wait for hemp and other products that the market is interested in.

Chayo JV (Chayo JV Asset Management Company Limited) as a subsidiary, set up for investment and/or jointly invest in asset management business and/or related business by focusing on bidding for secured debts.

However, the Company and its subsidiaries' nature of business can be classify into 5 categories: non-performing asset investment and management, debt negotiating, tracking, collecting, and expediting services business, customer service center business, lending business, and product sales business. The details are shown in the diagram below.



Diagram showing the relationship of Chayo Group Public Company Limited's segment information to related business partners according to the investment and services natures



Remark: 1/ Financial institution (Commercial Bank, Finance Company, and Credit Foncier) and non-financial companies under supervision (Asset Management Companies, etc., consisting of representative offices of foreign commercial banks and non-financial service providers) as shown in the diagram above are financial institutions under the supervision of the Bank of Thailand. Financial institution under the supervision of the Bank of Thailand means an institution that provides financial services such as deposits, withdrawals, credit giving, payment, and other financial transactions as permitted to customers, whether they are the general public, companies, department stores, or government agencies, which operate financial institutions under the Financial Institution Business Act B.E. 2551 and supervised by the Bank of Thailand, consisting of

(1) Financial institutions divide into 3 types as follows:

- Commercial Bank
 - 1) Thai Commercial Banks
 - 2) Retail Bank
 - 3) Commercial banks that are foreign commercial banks subsidiaries (Subsidiary)
 - 4) Foreign Bank Branch / Full Branch

- Finance Company
- Credit Fancier Company
 - 1) Foreign Commercial Bank Representative Office
 - 2) Asset Management Company (AMC)
 - 3) Non-Bank

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

- 2/ Generally, Chayo AMC can buy non-performing loans from financial institutions and non-financial companies under supervision, while CHAYO, Chayo JV, and Chayo Property and Service can purchase non-performing loans of financial institutions and non-financial companies under supervision, as well as non-financial companies that are not under supervision. However in practice, financial institutions and non-financial companies under supervision will not sell non-performing loans to companies that are not asset management companies.
- 3/ The business commenced the operations in May 2020, by selling products through the call center to expand the call center business that the Company already operates by using the available resources and workers to sell products, and/or services through the call center, TV Shopping, online channels and/or related channels, selling products to general consumers, including collaborating with companies that operate in the same selling and producing products for distribution through the call center, TV Shopping, and online channels business.

• Non-Performing Loan Investment and Management

The Company invests in buying non-performing loans from financial institutions that are primarily commercial banks to manage by bidding through Chayo AMC and/or Chayo JV, which is a subsidiary authorized by the Bank of Thailand for business under the Royal Decree on Asset Management Companies B.E. 2541, to proceed with non-performing loans management, in case of non-performing loans auction from commercial banks or financial institutions under the Bank of Thailand supervision both secured and unsecured for further management including litigation, collateral auction, buying collateral as an investment property for improvement, and/or developed for sale and negotiating the appropriate agreement. (In this regard, asset management companies are obliged to operate their business within the defined framework by the Bank of Thailand, as well as deliver the financial statements to the Bank of Thailand according to the regulations clearly stated by the Bank of Thailand). For non-performing loan auction will be conducted by CHAYO or its subsidiaries in an auction to buy non-performing loans to manage for the most benefit in negotiating, collecting, and expediting debt as well as legal proceedings according to the procedure, includes discounting and negotiating debt reconciliation.

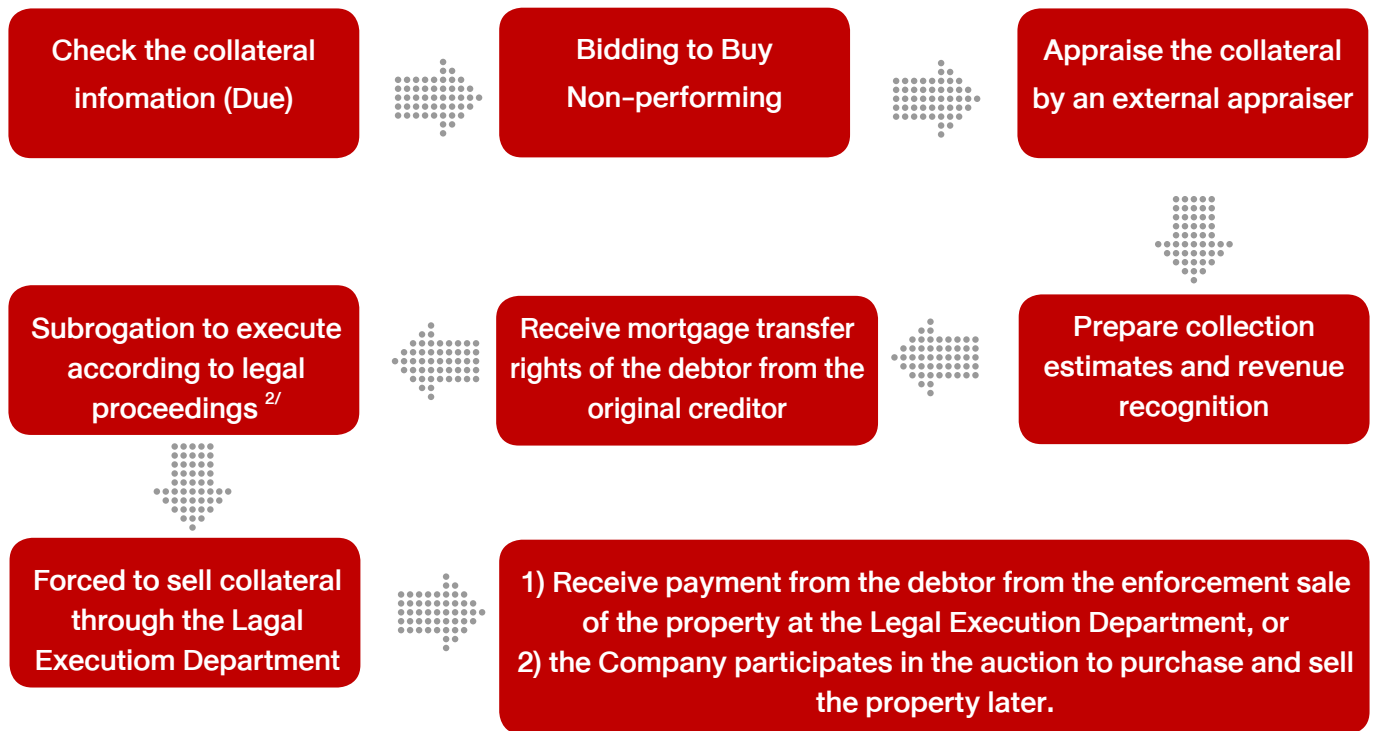
Most of the non-performing loans that the Company currently invests in and manages are non-performing loans that are mostly auctioned from financial institutions by Chayo AMC. Financial institutions will usually collect debts themselves first for the debtors with a short period of overdue about 90 days. However, financial institutions may start outsourcing companies (Outsource Agent: OA) to follow up on debt collection for debtors with default periods ranging from 30 – 360 days. Financial institutions may follow up on debt collection for debtors with default periods of 30 – 360 days as well. Generally, financial institutions will start considering selling debts for debtors with a default period of 360 days or more (Debtors with a 90 days default period or more will be set aside in the proportion of 100.00 percent for the difference between the outstanding debt and the present value of expected cash flows from such debtor or disposal of collateral from such debtor). Financial institutions will consider the amount of debt sold in conjunction with the Capital Adequacy Ratio: CAR Ratio for Non-Performing Loan: NPL) of the financial institutions as well. In addition, if the debtor has already paid all outstanding debts, the Company will coordinate to send information or confirm the closing to National Credit Bureau Co., Ltd. (“Credit Bureau”) to facilitate or assist the debtor in information correction requesting with the credit bureau. As a result, the credit bureaus can adjust the account status in the debtors’ credit bureau report, to ensure fairness and create an opportunity to build credit for that debtor, including applying for new credit as required by law. The Company can only coordinate the closing

status for debts under the management of the Company. The Company may negotiate or recommend asking the debtor for more information to help find a solution to repay a debt according to the Company's operational goals.

Determining the auction price for each non-performing loans, the Company will estimate the Company's debt collection by considering various factors, including the ability to collect each type of debt, debt type, non-performing loans age, collateral, legal status, including outstanding debt, etc. The Company has statistical data in the Company's database available to determine the auction price appropriately. Currently, the Company can classify customers or sellers according to the type of non-performing loans as follows:

- Leading financial institutions are commercial banks in personal loans and juristic persons types. For example, Kasikorn Bank, Siam Commercial Bank, TMBThanachart Bank, UOB Bank, Sukhumvit Asset Management Company Limited, etc. Non-performing loans divide into 2 types are secured non-performing loans and unsecured non-performing loans.

(1) Secured non-performing loans are non-performing debts incurred by debtors with collateral for payment of debts, and has a condition that can be enforced by law with a clear and definite guarantee, for example, secured debt as real estates: corporate loans, SME loans, and mortgage loans, e.g. homes and land and condominiums, etc. Mostly, the auction price for the secured non-performing loans ranges from 30 percent to 70 percent of the collateral value depending on debts, legal status, and the initial value of the collateral which assessed by the financial institution that sells the non-performing debt (The collateral value is more or less depends on the location and assets quality). However, since quarter 3/2017, the Company had auctioned more and more secured non-performing loans by arranging a collateral appraisal by an external appraiser for collateral with a value of 10.00 million baht or more to be used in the collection estimates preparation and revenue recognition. The Company estimates that it will be able to receive deposits or forced to sell such collateral within approximately 1 - 5 years from the non-performing loans acquisition date. (The mentioned assumption is an assumption under the circumstances that the Company cannot negotiate a compromise with the debtor. If the Company can reach an agreement between the Company and the debtor, thus the Company can sell or receive money faster) However, the Company will reevaluate the assets by external appraiser if the Company did not receive the payment or enforced sales within 3 years. In this regard, the secured non-performing loan has a slightly high auction value because they have real estates as collateral which can be enforced through the Legal Execution Department while the amount of debtors are less than the unsecured non-performing loans. As a result, the Company employs staff or personnel to manage, including negotiating, collecting, and expediting debt much less than the unsecured non-performing loan. However, the Company may have higher expenses related to legal proceedings and sales (which may include forcing to sell collateral). In addition, the Company may participate in an auction to purchase the non-performing loans sold by the Legal Execution Department. If there is no bidder or the offer cannot be made at the price that the Company wants, the Company may renovate such assets and/or develop for investment and/or sale. The advantages of the Company's bidding for collateral are as follows: The Company can maintain the price of the collateral not to be too low. In addition, the Company does not have to pay in full to the Legal Execution Department by putting down partial deposit (5.00%) of the selling price or the auction price. The remaining difference can be deducted from the outstanding debt that the debtor owes, which is called deductible. The process of the auction for secured non-performing loans are as follows:



Remark: 1/ Information examined from the due diligence, including debt balance, legal status, and the initial collateral value as assessed by the financial institution that sells the non-performing debt.

2/ The Company can negotiate a mutual agreement between the Company and the debtor to settle debt during subrogation and/or enforcement. The Company will allow the debtor to pay the debt to the Company according to the agreement and without the need to put the mortgaged assets up for auction resulting in the Company obtaining cash faster.

(2) Unsecured non-performing loans are non-performing loans that the debtor borrows without collateral but has clear contractual obligations such as credit card debt, personal loans or liabilities that financial institutions have seized as collateral, and sold but the amount is insufficient for reimbursement, for example, remaining debt after the collateral sales, such as a house or a car, etc. Generally, the auction price for an unsecured non-performing loan is approximately 1 percent to 10 percent of the total loans. In the past, the Company mostly manages such assets. The Company will initially prepare an estimate or budget for unsecured non-performing loans collections within 5 years. (The debt collection period may extend if at the end of the 5th year, the non-performing loans still has the potential to continue collecting the debt.) The unsecured non-performing loan has a relatively low auction value for the outstanding debt because it is unsecured non-performing debt. However, from more than 20 years of experience in the business of negotiating, collecting debts, the Company has experienced personnel with ability and expertise to collect unsecured debt. The unsecured non-performing loan is better than secure non-performing loan because it is faster to know the cashflow.

- Non-financial group are financial institutions that are not commercial banks, such as credit card service providers, personal loan service providers, etc.

In this regard, outstanding debt of the non-performing loans under the Company management classified by loan type in 2019 to 2021 are shown below.

Loan Type	2019		2020		2021	
	Billion Baht	Proportion	Billion Baht	Proportion	Billion Baht	Proportion
Credit Card Loans	14.07	27.90%	13.95	21.33%	13.83	18.88%
K- Express Cash	3.63	7.20%	3.56	5.44%	3.50	4.78%
Current Account	2.46	4.88%	2.46	3.76%	2.46	3.36%
Home Loans	16.04	31.81%	17.63	26.96%	18.44	25.18%
Letter of Identification	0.05	0.10%	0.05	0.08%	0.05	0.07%
Loan	4.73	9.38%	5.47	8.36%	5.47	7.47%
Loan Better Life	2.49	4.94%	2.48	3.79%	2.47	3.37%
O/D	0.45	0.89%	0.46	0.70%	0.46	0.63%
Other Consumer Loan	0.08	0.16%	0.01	0.02%	0.01	0.01%
Personal O/D	1.06	2.10%	1.06	1.62%	1.06	1.45%
Promissory Note	0.36	0.71%	0.36	0.55%	0.36	0.49%
Trade Finance	0.73	1.45%	0.73	1.12%	0.73	1.00%
Hire Purchase Contract	-	-	7.66	11.71%	14.71	20.08%
After Sales Debt	4.98	8.49%	9.52	14.56%	9.69	13.23%
Total	51.13	100%	55.40	100%	73.24	100.00%

While the outstanding debt of the non-performing loans under the management of the Company can be classified by the type of consumer loans of commercial bank as defined by the Bank of Thailand in 2019 to 2021 are as follows:

Consumer Credit of Commercial Bank	2019		2020		2021	
	Billion Baht	Proportion	Billion Baht	Proportion	Billion Baht	Proportion
Home Loans	16.04	31.37%	17.63	26.96%	18.44	25.18%
Car Loans	1.07	2.09%	7.66	11.71%	14.71	20.08%
Personal Loans	19.95	39.02%	26.16	40.00%	26.26	35.85%
Credit Card Loans	14.07	27.52%	13.95	21.33%	13.83	18.88%
Total	51.13	100.00%	65.40	100.00%	73.24	100.00%

The Company operates in non-performing loans investment and management by having non-performing loans auctions to be managed continuously since 2011, starting from non-performing loans auctions from non-financial companies. However, on 21 March 2014, a subsidiary of the Company, Chayo Asset Management Company Limited, was approved by the Bank of Thailand to register as an asset management company. (According to the Ministerial Regulation (B.E. 2541) issued under the Royal Decree on Asset Management Companies B.E. 2541, as amended)

Chayo AMC can participate in the auction and purchase of financial institution debt. The Company began to manage the remaining debt after the sale was auctioned at that time. However, at present, the Company is able to further manage other types of debt at the auction, for example, credit card debt, cash loan, overdraft loans (Overdraft: O/D), at present, the non-performing loans under the management of the Company mainly consist of credit card debt and cash card debt, on 31 December 2021, the Company has a pre-collateral loan at 73,238 million baht and the loan after collateral deduction amounted to 54,794 million baht. The overview of the Company's investment and asset management business is as follows:

Year	Annual Collection (Million Baht)	Contract Amount (Issue)	Non-Performing Loans (Million Baht)							
			Beginning of the Period	Update List1/	Increment During the Period	Accrued Interests	Investments Amortization	Transfer the Transaction to Non-Performing Loans.	Expected Credit Losses2/	End of the Period
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
2020	219.32	355,343	1,121.95	-	625.65	236.58	(40.32)	(163.92)	(87.06)	1,692.88
2021	321.69	385,078	1,692.88	-	1,192.26	366.84	(60.36)	(157.90)	(177.73)	2,855.99

Remark: 1/ The adjustment resulted from the change in the accounting method for calculating revenue from loans to non-performing loans from the portfolio method to the receivable manner.

2/ Before 2020, formerly known as "Allowance for Impairment Losses"

Furthermore, if consider the non-performing loans by dividing the age since the non-performing loans was managed by the Company, the details are as follows:

Unit: million baht

The age since the acquisition of the NPLs	2019		2020		2021		
	Remaining costs at the end of period1/	Allowance for Impairment Loss	Remaining costs at the end of period1/	Allowance for Impairment Loss	Remaining costs at the end of period1/	accrued interest receivables 2/	Allowance for Impairment Loss
Unsecured Non-Performing Loans							
0 - 1 year	-	-	309.18	-	446.42	66.48	(38.28)
1 - 2 years	50.09	-	0.03	-	302.34	55.59	(44.11)
2 - 3 years	-	-	49.43	(20.40)	0.03	-	-
3 - 4 years	-	-	-	-	48.57	31.61	(50.83)

The age since the acquisition of the NPLs	2019		2020		2021		
	Remaining costs at the end of period1/	Allowance for Impairment Loss	Remaining costs at the end of period1/	Allowance for Impairment Loss	Remaining costs at the end of period1/	accrued interest receivables 2/	Allowance for Impairment Loss
4 - 5 years	56.00	3.97	-	-	-	-	-
More than 5 years	15.26	5.34	68.89	(59.39)	66.84	19.09	(85.93)
Total	121.35	9.31	427.53	(79.79)	864.20	172.77	(219.15)
Secured Non-Performing Loan							
0 - 1 year	643.93	-	315.22	-	735.80	24.70	-
1 - 2 years	243.23	-	605.93	-	294.68	29.79	-
2 - 3 years	122.75	-	178.57	-	495.83	222.87	-
3 - 4 years	-	-	45.49	(10.50)	133.65	20.94	-
4 - 5 years					45.49	83.06	(48.65)
Total	1,009.91	-	1,145.21	(10.50)	1,705.45	381.36	(48.65)
Total	1,131.26	9.31	1,572.74	(90.29)	2,569.65	554.13	(267.80)

Remarks: 1/ The Company does not allocate costs for non-performing loans less than 100,000 baht. The Company will record them as an expense on the day of the auction.

Allowance for impairment loss is recorded as an accrued interest receivables in accordance with TFRS9 accounting standard, effective from 1 January 2021.

Cost allocation assumptions, estimates of collection and revenue recognition

- (1) The Company allocates acquisition costs for the secured non-performing asset based on the collateral's appraised value. The Company also prepares an estimate of the collection amount and revenue recognition which were evaluated based on additional factors such as litigation status and collateral quality (location, asset attributes, and collateral), an appraisal from an independent third party appraiser approved by the Office of the Securities and Exchange Commission), and management's experience.
- (2) The Company allocates acquisition costs for the unsecured non-performing loans only to the Company's main revenue-generating loans by categorizing receivables based on debtor characteristics, which are debt types (e.g., mortgages, overdraft loans (O/D), credit card debt, etc.), the period of outstanding debt, and the status of litigation. Based on statistical data and previous experience, the Company will allocate costs to the group of debtors that are expected to be collected, then the Company will generate collection and revenue recognition estimates based on meet and pay rate and hair cut rate using statistical data and management's prior experience.
- (3) The Company considers unsecured non-performing loans other than (2) per portfolio basis without allocating costs per debtor due to the low initial cost and the chances of collecting the debt are slim. The Company had prepared an estimation revenue recognition for the non-performing loans as a portfolio by using statistical data and prior experiences

Review of Assumptions and Estimated Collections

The Company will assess the performance of each non-performing loan every month and the assumptions used in the accounting estimates will be reviewed every 6 months. According to the Company's policy, the estimated collection amount is distinguished from the actual collection amount by more than 5.00 percent.

Estimating the Fair Value of the Non-Performing Loans

the Company considers and recognizes any expected credit losses that are objective with probability for forward-looking macroeconomic information that is supportive and reasonable, as well as to evaluate the unbiased and probability outcome, which is a comparison between the present value of expected future cash flows discounted by the real interest rate on non-performing loans and the book value of non-performing loans as of each reporting date. In the statement of comprehensive income, the predicted credit loss might be either a gain or an impairment loss.

Impairment Assessment of the Non-Performing Loans

The Company will assess the recoverable amount of the non-performing loan at the end of the accounting period for determining the impairment by using the discount rate, which is the original effective interest rate (OEIR). The Company operates according to the procedure for the consolidated financial statements for the year ended on 31 December 2020 onwards. In the case that non-performing loans are lower than the book value of each asset, the Company will acknowledge the allowance.

Operating procedures of the non-performing asset investment and management business

1. Debt auction



The Company will contact or receive an invitation letter from financial institutions and non-financial companies to participate in debt auctions and consider preliminary debt information from the invitation before deciding whether or not to participate in the auction. If the Company is interested, the Company must purchase tender envelope, submit the document, pay the fee to receive additional documents or information and prepare for due diligence. The Company will analyze the data to decide whether or not to bid on the assets and/or to bid at which price (before the auction, a guarantee may be required). If the Company is the auction winner, the Company must make payments, check documents, and provide information on each debtor to be forwarded to the debt management department to proceed further.

2. Follow up debt collection



Chayo AMC will follow up and collect the debt, including hiring an external debt collection company (Outsource Agent, including Chayo Group Public Company Limited affiliates) to carry out debt monitoring and collection. Under the selection criteria for an agency or outsourced agent, the Company will consider qualifications and expertise in debt collection in order to ensure efficiency and operational standards that must be performed in accordance with the Debt Collection Act B.E. 2558, as well as the Company's best practices. Furthermore, if debtors do not pay their debts, the Company will consider litigation and enforcement by investigating income and property and carrying out the case in accordance with the judgment or order.

3. Performance measurement



The debt will be assigned to the Company's employees or agents for collection. The Company will set debt collection goals and a commission rate to stimulate debt collection in the manner of a Tier and under the supervision of the approved budget, with the greatest cost-effectiveness and efficiency for the organization and shareholders.

4. Services Payment

When the Company's employees or agency have performed debt collection as well as the debtor having already paid the debt. The Company or its representative will review the completeness of the payment, prepare an operation report and send it to the Company in order to calculate the service fee to be paid to the Company's employees or agents.

• Debt Negotiating, Tracking, Collecting, and Expediting Services Business

The Company provides collection and debt collection services by accepting debt collection assigned by employers, carry out the collection process for debtors to pay debt according to the employer's conditions, such as credit card debt, personal loan debt, which includes utility debt, service debt, and telephone debt, etc. Furthermore, the Company is a service provider for litigation and enforcement by investigating income and assets with debtors assigned by the employer in order to continue executing the case in accordance with the judgment or order. Employers will benefit from debt collection because the Company has over 23 years of business experience in this field. The Company's personnel are knowledgeable in the laws relating to the debt collection and skilled on expediting debt. The Company holds Thai Consultant License No. 2967, issued by the Public Debt Management Office Ministry of Finance, and strictly abided by Law and Debt Collection Act.B.E. 2558. The Company has a policy to emphasize and consider the reputation of the employer as the principle of operation.

The Company is compensated as a commission for the aforementioned services (by a percentage of debtor collection) as agreed with each employer. The revenue from negotiating collection and debt collection services will be calculated based on the amount collected from the employer so that the Company can track debt collection. The commission rate is determined by the agreement in the contract between the companies on a case-by-case basis, for example: Debtors who can be easily negotiated for collection, such as outstanding phone debt, will have relatively low commission-to-collection rates because of the relatively low amount of outstanding debt and the short duration of the debt. Debtors with relatively high commission-to-collection rates, on the other hand, are outstanding debts from financial institutions. This is because the outstanding balance is relatively high and the maturity period is longer when compared to phone debt. At the moment, the Company can categorize its customers based on the type of employer as follows:

- Leading financial institutions are commercial banks in the category of personal loans such as Siam Commercial Bank, Government Savings Bank Thanachart Bank, Kiatnakin Phatra Bank, Kasikorn Bank, SME BANK and the Secondary Mortgage Corporation, Asset Management Company, Islamic Bank of Thailand Limited, Small Business Credit Guarantee Corporation(TCG) and Thien Surat Public Company Limited, etc.
- Leading companies in leasing business are Ayudhya Capital Auto Leasing Public Company Limited and T Leasing Company Limited, etc.
- Leading private companies in the IT communication group, which is a telephone service provider or a mobile phone signal service provider and the examples of customers are Advance Info Service Public Company Limited ("AIS"), etc.

The Company's accounts receivable and the number of accounts receivable divided by type of employer from 2018 to 2021 explicate as follows.

Employer type	2018				2019				2020				2021			
	Amount Collected (million baht)	Revenue (million baht)	Number of Account (thousands)	Average commission fee	Amount Collected (million baht)	Revenue (million baht)	Number of Account (thousands)	Average commission fee	Amount Collected (million baht)	Revenue (million baht)	Number of Account (thousands)	Average commission fee	Amount Collected (million baht)	Revenue (million baht)	Number of Account (thousands)	Average commission fee
Financial institutions (Commercial bank)	257.01	11.08	75.14	4.31%	696.12	29.07	128.61	4.18%	170.39	20.95	43.43	12.30%	145.80	22.81	48.48	15.64%
General companies (The companies in IT Communication Group)	903.68	30.36	1,074.95	3.36%	747.69	32.30	904.43	4.32%	663.17	30.56	777.93	4.61%	400.80	17.30	550.67	4.32%
Total	1,160.69	41.44	1,150.09	3.57%	1,443.81	61.37	1,033.04	4.25%	833.56	51.51	821.36	6.18%	546.60	40.11	599.15	7.34%

Debt Negotiating, Tracking, Collecting, and Expediting Services Business

After the Company has been hired to negotiate, collect, and expedite debt, the procedures are detailed as follows.

1. Check the customers' information



The Company receives information about debtors from the employers who have been assigned to follow up on debt collection. The information's completeness and accuracy will be checked by the Company, then enter the data into the Company's management and debt collection systems.

2. Follow up and collect the debt

(1)
Available

(2)
Unavailable



(2)
Litigation

The Company will allocate work for employees to follow up debt collection via telephone or send a letter to the debtor to increase the debt collection channel via the postal system, while also searching for additional information about the debtor as required by law, such as documents for applying for a loan and/or searching for general information via the Internet in the case of a group of debtors who cannot be reached by phone by researching income, assets, and cases in compliance with judgments or decrees, such a group of debtors can be identified.

The contact information and results of the negotiations with the debtor will be recorded in the Company's database for further follow-up. And the Company will send the contact information back to the employer when the work period is over.

3. Negotiate



Debt collection staff will contact and negotiate with debtors via the Company's telephone system only. All conversations between the tracking staff and debt collection with the debtor will be recorded by the system. This is in accordance with the agreement between the employer and the Company to collect data in order for the employer to monitor employees' work. Furthermore, the system will allow employees to track and collect debts, allowing them to contact debtors only during the legal period (Monday-Friday, 8:00 a.m.-8:00 p.m. and public holidays from 8:00 a.m.-6:00 p.m.). Employees are able to contact debtor which will inform the Company's name and the purpose of contact, which includes presenting debtors with repayment terms, advice on debt repayment and debt relief. If the debtor wishes to pay off his or her debts or receive a repayment discount, the Company will consider or seek approval from the employer.

4.Repayment



(1)
Pay

(2)
Not Pay



Litigation

Payment can be divided into 2 cases, which are the case where the debtor agrees to pay the debt and the debtor does not agree to pay the debt.

- (1) In the case of the debtor agrees to pay the debt, the Company will proceed to the step 5.
- (2) In the event that the debtor does not agree to pay the debt,if the employer has gather the lawsuit in the contract, the Company will proceed to the next step of the lawsuit.

5. Installment payment / account closure

Settlement of debts, employees will notify the debtor that payments must be made directly into the debtor's account. The Company has no policy requiring employees to accept cash payments in order to avoid risks such as fraud, incompleteness, loss, etc. The employer will send the debtor's payment list to the Company for processing. The Company will enter payment information into the debt information management system in order to calculate the debt collection service agreed upon with the employer and to be the data for debt collection tracking for debtors who have missed payments.

6. Performance report



Debt collection employees must report on the procedures to the Company's database because the Company will summarize the debt collection information to send to the employer on a monthly basis.

7. Service payment



The Company will use the information recorded in the database of the debt management system to calculate the debt collection and tracking service that will be received from the employer. The service fee calculation will depend on the type of debtor and the Company will charge for the debt collection and collection service according to the debt collection report that has been confirmed by both parties.

8. Return information to customers.

At the conclusion of the debt tracking and collection services period, all information will be returned to the employer by the Company. In addition, the Company will remove all data from the management and debt collection systems. The employer will send personnel to inspect the contractor's work on a regular basis.

Case proceedings

1. Draft a lawsuit



In the event that the debtor does not cooperate in repaying the debt and the employer has included the employment case in the employment contract, the Company will pursue legal action. After receiving permission from the employer, the debtor's information will be verified by the employer and must prepare the debtor's documents and deliver to the Company. The Company's lawyer will send out notices to pay debts, schedule a court date, and draft a lawsuit. The lawyer will calculate the amount of debt sued and file a lawsuit in court to match the date of submission. After receiving a court judgment and issuing an execution warrant, if the litigants disagree with the Court of First Instance's decision, they may file an appeal and petition.

2. Execution of legal

Execution of legal proceedings can be divided into 2 cases freeze the account and seize the asset.

(1)
Freeze the
account

(2)
Seize the
assets



Lawsuit settled

(1) Freeze the account, the legal department will assign the Company's legal execution officer to submit documents supporting the freezing to the Legal Execution Department and pay the cost to the executing officer. The officer will notify the freezing to third party (employer) to remit the frozen money. When receiving money from the third party (employer), the executing officer will send the money to the treasury department and send a notice to the Company to check the accounts for the frozen money. The Company's executing officer then submits a statement to request payment until the debt is completely paid. When the debt is fully paid, the Company's executing officer will proceed with the withdrawal of the debtor's execution.

Amortized

Not
amortized



(2) Seize the assets. In addition to the creditor's obligation to pay the operation's expenses, the Legal Department will assign the executing officer to examine the property to be seized, as well as the details of the debtor's property, in order to file a case and schedule an appointment with the officer to consider the seizure request and proceed under the execution. After the executing officer proceeds to seize the property, the debtor, the registrar, and all stakeholders must be notified. In accordance with the procedure, the executing officer will determine the value of the seized property, notify the court of the intention to sell the case and begin the auction process. Before the auction, the debtor

Step 5

Step 6



can settle his/her debt with the Company. The Company will proceed with the debtor's seizure withdrawal by allowing the debtor to pay the seizure withdrawal fee. However, when it is auctioned off and there is still debt from asset sales or the asset is missing but can be seized, the Company will follow up on the debt and look into the debtor's other assets. If the debt burden surpasses 1 million baht (for an individual), bankruptcy proceedings will be considered for the execution of a lawsuit against the debtor before the enforcement term expires. In the event that the debtor still does not pay the obligation, the Company will begin the repayment installment process (Step 5). The debtor will be returned to the employer by the Company, then begin the process of putting together the operational report (Step 6).

• Customer Service Center Business

The Company is a customer relationship center service provider from the employer, from the systematic product presentation and telemarketing, to offer products and services that are suitable for constantly changing consumer behavior. As a result, the employees of the Company are skilled at negotiating with customers and effectively presenting required information. The Company is compensated based on the success of the work as agreed with the employer. The Company categorizes the service into two types:

- Outbound is contacting an employer's customer to provide information about the employer's products or service. The Company will make every effort to contact the customer by phone in order to provide product information, product or service. This includes informing the employer's customers about various information that the employer expects them to consider when choosing or purchasing.
- Inbound is receiving phone calls by the employer's customers. The Company will answer the calls of customers who inquire about the products and/or services of the employer for them to choose from or buy.

The Company has trained personnel who will be responsible for the customer service center, including skill development and continuous information about the employer's products and services both before and after obtaining the job. Employees must be educated on the products and services that the employer wishes to convey to its customers. This helps to avoid data discrepancies between employees and customers.

Procedures of Customer Service Business

1. Information check



In the event that a customer makes an offer of employment to the Company, the information provided by the customer will be verified, including customers' work types and the scope of work, as well as product knowledge that will be accountable, as well as income and project cost calculation.

Service of the Company divided into 2 types:

2. Service



(1) Inbound service

Inbound service is a job that the Company provides an answer to a customer's enquirers, including providing telephone sales services. Customers will be interested in the product and contact the Company and the employer will be the organizer of marketing or advertising.

(2) Outbound service

Outbound service is a service that the Company performs in which calls are made to customers on behalf of the employer. The goal is to sell products or services on behalf of the employer. If a customer places an order, the Company will sent the order and confirm the sales or service according the term with the employer and prepare an operational report as proof of the operation.

The Company will calculate the service fee and charge the Employer at the agreed rate once the service has been completed.

• Loan Business

The Company has issued loans. The operation are divided into 2 types as follows:

1. Unsecured personal loan, which is supervised by the Bank of Thailand, operates under personal loans licenses under supervision and personal loan for occupation under supervision.
2. Secured Loans, the Company will conduct the business under related laws.

Procedures for unsecured personal loans

1. When customers contact the Company, the credit department will contact the customer to inform them of the documents used in the credit approval process, desired proportion of financing, including interest rates and installments as specified in the Company's products
2. If the customer has already completed the documentation, these documents will be forwarded to the credit department in order to determine the ability to pay debts. The policies that the Company has established for each product including regulations that The Bank of Thailand has established the Supervised Personal Loan Business License such as Criteria for lending according to the borrower's income and the maximum number of financial institutions that provide personal loans, etc.
3. After acknowledged the results of the credit consideration, the credit department will notify the approval results via phone call and SMS to let customers know the date of receiving the loan, approved credit, installment and interest rate.
4. An appointment is made for customers to sign a loan agreement, confirm the transaction and inform them of payment options via mobile banking, including informing them of information according to the Bank of Thailand.
5. After the customer has received the loan successfully, customers must pay on the specified date each month. In the event that the customer does not pay the debt according to the due date, the credit department will follow up on payment. However, if exceed 30 days, the credit department will assign an external team, namely subsidiary company to follow up

The lending business is run by Chayo Capital Company Limited, which is a subsidiary of National Credit Bureau Co Ltd., therefore every debtor will be required to report payment information every month as a rule that all members must follow.

The operating procedure of a secured personal loan

1. In the event that customers make contact with the Company, the credit department will contact the customer to inquire about the credit limit and type of collateral required to apply for a loan, as well as the collateral's address
2. If the customer has already prepared the necessary documents, the documents will be sent to the credit department to determine capacity to pay debt, as well as the collateral's appraised value. Initially, an internal assessment team will assess the condition of the collateral. Then, the Company will schedule a meeting with an external appraisal company to re-evaluate the collateral.
3. After knowing the outcome of the credit consideration, the credit department will contact the customer to inform them of the outcome, including the approved credit limit, installment, and interest rate.
4. The customer is scheduled to sign the credit agreement to confirm the transaction. (this includes the mortgage collateral) and specify the payment method including the mortgage collateral's date.
5. After the customer has successfully received the loan, the customers must pay on the specified date every month. In the event that the customer fails to pay the debt by the due date, the credit department will follow up on the payment. If the overdue exceeds 30 days, the credit department will assign an external team, namely subsidiary company to follow up.

The loan business is run by Chayo Capital Company Limited, which is a member of National Credit Bureau Co., Ltd., therefore every debtor will be required to report payment information every month, as a rule that all members must follow.

• Product sales through call center service

The Company is a service provider for selling products and/or services through Call Center, TV Shopping, online channels and/or related channels by extending from the Company's call center to sell products and/or services that meet the consumers' needs, such as health and beauty products, food supplements, cosmetics, and new products, and by selling through the Call Center channel 24 hours a day. The Company categorizes the service into 2 categories:

1. Inbound service is when The Company will response customers who have seen product advertisements on shopping TV channels and online shopping channels. They are able to call the Company to inquire about the products, then The Company take a customer's order and deliver the products.
2. When contacting the customers to sell products and/or services (Outbound), the Company will be responsible for contacting customers via phone to inform them of product promotions and/or services, as well as various information that they should consider when purchasing.

Procedures for selling products through call center

1. Advertising products through Cable TV Shopping and Online platform



The Company organizes promotion to sell the products, train the employees on the product knowledge as well as set the sales target, calculate revenue and expenses for the promotion through cable TV shopping and online channel.

Selling products through the Call Center are divided into 2 categories of services as follows:

2. Service

(1) Inbound service

The Company provides a telephone answering service to receive purchase orders, which is known as telephone standby service, as well as providing product information, answer any inquiries that clients may have, and selling other products. In this case, the customers are interested in the product and will reach out. The Company will be in charge of marketing and advertising.

(2) Outbound service

The Company's customer call service is a service that involves making calls to customers. The goal is to call and inquire about customer satisfaction with the product, selling items and/or services to existing clients. This can provide products that are tailored to the needs of each customer.

3. Performance report

The Company provides service to response customers by phone to receive the orders, sent the product by post, track the products and telephone calls to inquire about the satisfaction.

The Call Center team must produce a sales summary report and analyzing consumer behavior on a regular basis to record in the Company's database.

(2) Marketing and Competition

• Competitive strategy

The Company specializes in negotiating, collecting, and expediting debt collection services. In the past, the Company has been trusted by many large groups of customers. This includes leading financial institutions and commercial banks in the country who have been using our services continuously for many years. This is the result of the commitment of the Executive Committee and employees that adhere to the policy with efficiency and standardized services. The competitive strategy of the Company can be divided into 5 categories as follows:

Competitive Strategies for Investment and Asset Management Business

(1) Investment Planning and Asset Consideration

The Company has a clear asset consideration policy and an investment planning policy. The Company has always conducted a feasibility study of the project before investing to be able to foresee trends and investment revenue, obtaining accurate, dependable, and valuable data for when making the decision on policy regarding financial analysis, market risks, the economic, social, and environmental impacts. The operations can be traced back at every step in order for the management to be efficient. This reduces the likelihood of errors while also allowing for future adjustments.

(2) Consideration of negotiation as the main of non-performing loans management

The Company has a policy in debt collection by using negotiating as a preliminary process. This involves providing debt-relief assistance and seeking solutions for customers, suggestions on payment options. This includes assisting with debt payments as well as providing discounts (if any), having methods for persuading or encouraging debtors to settle their obligations for the debtor's future financial benefits. If an agreement cannot be achieved through negotiation, the Company will utilize legal tools to achieve the most satisfactory results for employers.

(3) Focusing on discovering a solution with debtors

The Company has a policy to track and collect debts that emphasize mainly on the debtor. The Company will find a solution together with the debtor in repayment by adjusting the payment balance to suit the debtor's income. Our debtor's solution is based on the debtor's ability to pay off the debt. The Company may consider giving a discount to the debtor. The discount will be in the criteria that the Company is still able to operate the business that covers the incurred costs.

(4) Managing non-performing loans with marketing strategies

Every year, the Company organize sales promotions such as discount, free giveaways to the customers to encourage the debtors to pay the debt. For example, giving discounts to the payment on special festivals such as free movie tickets when there are repayment or closing the account. The Company will also consider the economic and social environment by promoting the benefit to the debtor through 2 channels: by calling to the debtor and on the Company's website.

(5) After-sales or after payment of debt service

The Company has a policy to help debtors or customers in coordinating the releasing the status of outstanding debtors from National Credit Bureau Co., Ltd. (NCB) after the customer has paid back the debt according to the agreement, so that the debtor can return to normal financial transactions after the release of the debtor. The debtor will be able to do transactions such as applying for a mortgage or credit card authorization. This will increase the chances of stability and financial freedom for debtors again.

(6) Management and collection of non-performing debt under the Debt Collection Act

The Company manages and collects non-performing debt by adhering to the law and the debt collection act. Furthermore, the Company has adopted the Bank of Thailand's debt collection guidelines as a guideline for work to prevent corruption and wrongdoing. In cases where the debtor or customer must pay only through the bank, the debtor and/or related person will be able to contact the Company directly without the fear of fraud issues arising from debt payments.

(7) Outsource Agent (OA)

The revenue from collection is the major source of income for the non-performing loan investment and management business. As a result, to motivate and reward external organizations (Outsource Agent (OA)) to collect the debt according to the established target and received compensation in the form of commission based on the amount of the outsource agent (OA) money collected, and set a commission rate in a tier basis. The commission rate will be higher according to the amount collected.

(8) Management with a moral system to find a solution for the debtor

The Company has a policy to track down and collect debts mostly through negotiation, and will assist consumers in finding a solution by taking into account their income, costs, and ability to pay, as well as their ability to live in their daily lives. For example, in case of the Company's client has a home that is used for insurance purposes and the customers are still living there, the Company may decide to reduce the installment payment from the 30,000 baht originally agreed with the bank to 15,000 baht, so that the customer can stay and pay the installment without undue hardship. If the customer is unable to pay and agrees to have the debt transferred after the collateral has been moved or sold, the Company may consider offering a discount or not charging the difference in debt. The Company will follow moral standards and assist consumers in resuming their lives.

Competitive Strategies for Negotiating, Collection and Debt Expediting Services

1) Mainly use negotiation when expediting debt

The Company has a policy of negotiating, following up and collecting debts by using negotiations as the main principle. This involves providing debtors with repayment guidance and quick, rapid, and non-burdensome payment channels, including allowing debt payback with a discount (if any) according to the employer's policy.

2) Maintaining quality and service standards

The Company has a policy to negotiate, follow up and collect debts according to standards, rules and regulations according to the Debt Collection Act, B.E. 2558 and debt collection instructions published by The Bank of Thailand. The Company has earned the trust of the employer and/or major financial institutions throughout the years. The Company has trained employees in debt collection procedures and processes with standard tracking, in compliance with the Debt Collection Act B.E. 2558 and related laws. There is a policy for employees to use polite, not intimidating, demeaning, or distressing words to the debtor, as well as inputting debt collection data in the system at all times. Each employee will only have access to the debtor's information for whom they are responsible. As a result, the employer and/or financial institutions have placed their trust in the Company and are confident in the Company's ability to provide high-quality service, negotiation, and debt collection in accordance with the Company's standards and quality and will not harm the employer's or organization's reputation.

3) Compensation for employees based on the amount collected

The main source of revenue for the debt collection and negotiation businesses is commission from the collected amount in order to motivate employees to be able to collect debt and to reach the target set by the employer. Therefore, the Company has paid compensation in the form of commission based on the amount collected including the commission rate, which is set in tiers. The commission rate will increase as the amount collected increases.

4) Being a professional debt collection company

By using the Debt Collection Act and the guidelines for debt collection issued by the Bank of Thailand in conjunction with the Company's debt collection policy to find a suitable solution for each customer with the characteristics of the debtor, This is another important marketing policy resulting in the debtor or the customer being more willing to contact the debtor and will significantly increase the employer's confidence in the Company.

Competitive Strategies for Call Center Business

1) Training employees to have knowledge and understanding

The Company give importance to the knowledge and understanding of the products or services that the employer access. The Company provides extensive training to employees in relation to customer products and/or services. in order to prepare for the actual performance, including issues which customers may have questions and also the answers. Since the customer service industry necessitates agility and tact in service, problem-solving is essential. Alternatively, the ability to refer customers. As a result, the Company prioritizes communication and providing customers with accurate and reliable information. as well as the most effective service.

2) Customer Satisfaction Assessment

The Company periodically held customer satisfaction survey before and after received the service and use the information to analyze and process to improve, develop and implement in quality service improvement in the future as well as adapting the information to promote to the customers.

Competitive Strategies for Loan Business

1) Studying the loan market

The overall market for loan business is constantly and increasingly growing every year resulting from the government's informal debt suppression policy encouraging people to take out formal sector loans or borrow through agencies or companies under government regulations. In addition, the overall economy of the country in 2021 is still inadequate, leading to the increased demand for economic loans for production and services and, in turn, the increase in the Company's opportunities for issuing loans.

2) Adding channels for advertisement agents of goods and services

The Company's operations in 2021 is considered to be in a progressive direction, surpassing the goals we have set partly due to our growing expertise as well as our adjustment to marketing strategies and methods with the addition of new marketing tools. We have brokers to aid in the acquisition and screening of debtors as well as screen collateral assets by having brokers has lead to our work being more efficient, faster, and of higher quality.

As the economic and social conditions have not recovered and with our increasing market capabilities, it is a good opportunity for lending businesses to expand. However, the Company takes caution in considering lending loans since we do not wish for the occurrence of NPLs. We also predict that post-COVID-19 crisis, which is a period of economic recovery for households and businesses, will see the increased demand in borrowing for business circulation and improvement from the current situation.

Competitive Strategies for Merchandising Businesses

The Company has introduced popular cosmetics, food supplements, and beauty products for sale through direct sales, television, and online channels, where the Company applies call-center skills for sales and services. The Company has marketed to customers in various market segments to expand sales channels. However, due to such products being luxury products together with the market's high competition, we have decided to delay this business.

Industry Conditions and Competition

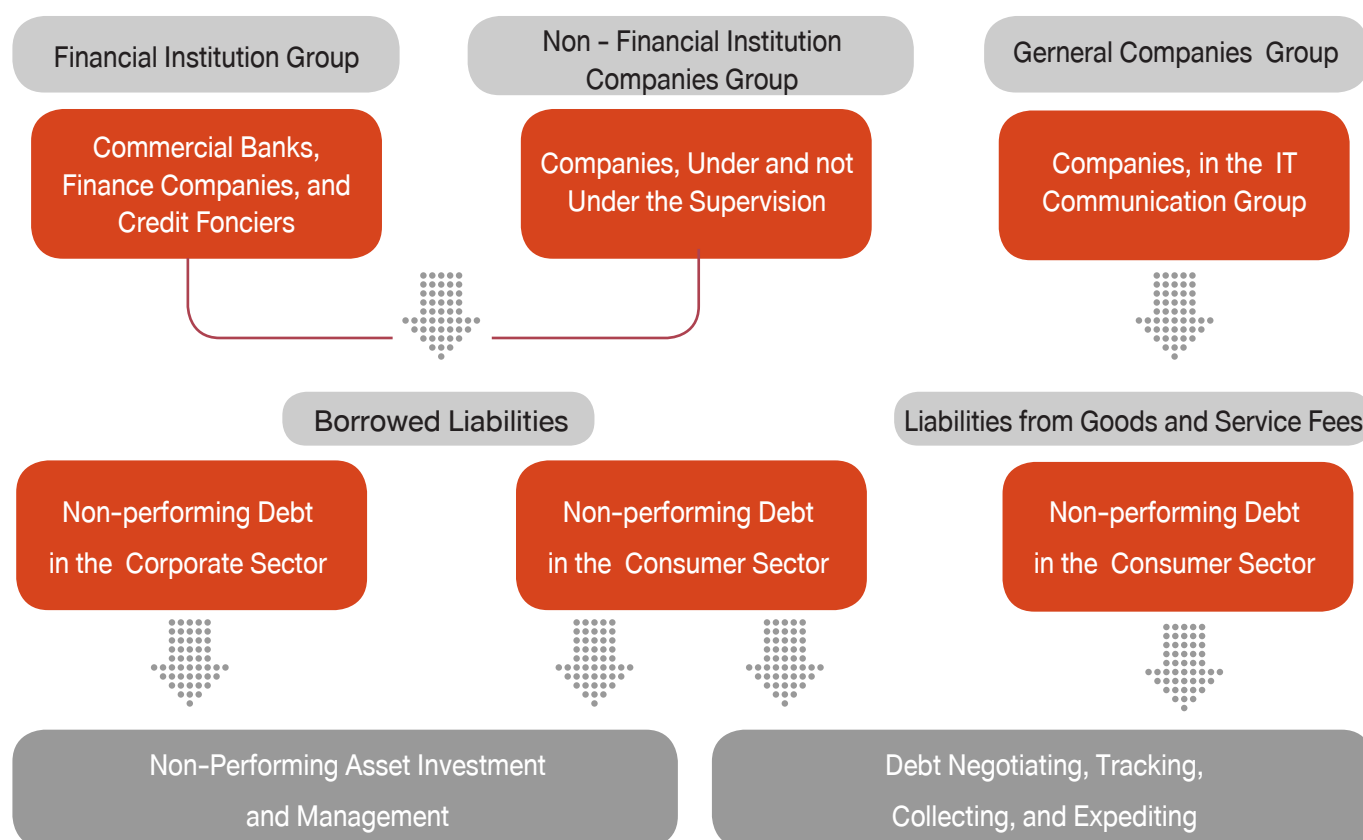
Industry Conditions

■ Non-performing asset investment and management businesses

Non-performing asset investment and management businesses have a significant demand, which is the need for the amount of non-performing debt of financial institutions, non-financial institutions, and general companies with emphasis on non-performing debt of commercial banks, since commercial banks must appropriately control non-performing loans in accordance to related policies. Such demand is distinct from debt negotiating, tracking, collecting, and expediting services businesses where the core demand derives from the Company itself. Companies in the IT communication and employment from financial institutions groups and/or commercial banks has demand for debt collection based on the overall economic conditions.

Non-performing assets of sellers can be distinguished into 2 categories namely non-performing debt in the consumer sector and non-performing debt in the corporate sector. The majority of non-performing assets that businesses for negotiating, tracking, collecting, and expediting debts as well as buying debts at auctions for further management comprises of mortgage loans, home loans, credit card loans, cash card loans, hire purchases, and personal loans. *Non-performing debt in the corporate sector comprises of*

Diagram showing the relationship between non-performing debt in the business sector and non-performing debt in households with non-performing asset investment and management businesses and negotiating, tracking, collecting and expediting debt services businesses

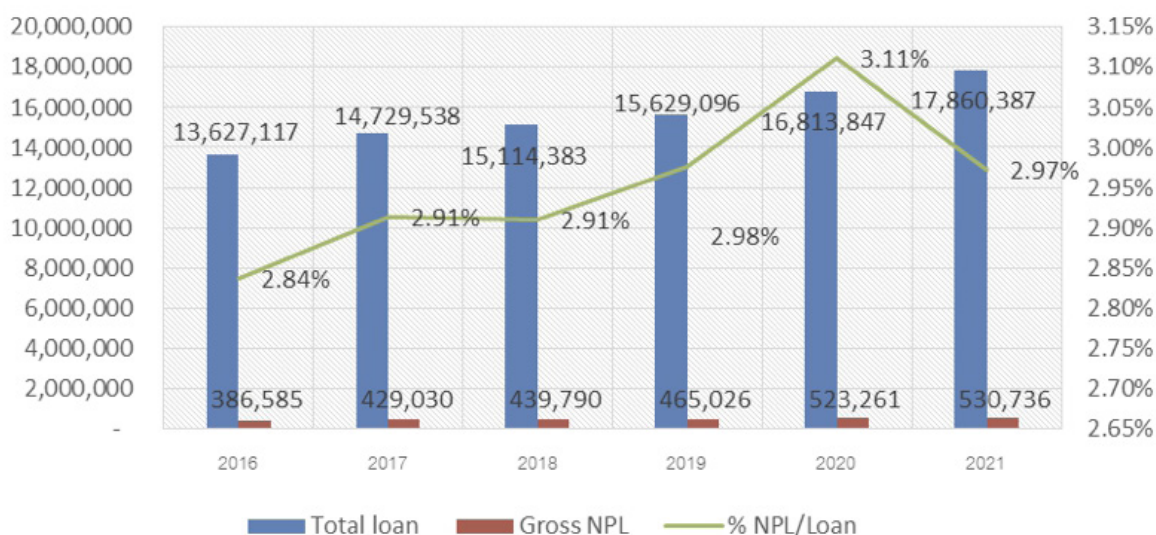


Factors affecting the non-performing asset investment and management businesses

A factor affecting the industrial conditions related to the Company's business is economic expansion. The amount of debt has an inverse correlation with economic conditions, wherein economic expansion or growth results in the decrease of NPLs to formal loans proportion due to debtors possessing more capability to repay loans. Conversely, economic recession results the increase in of NPLs to formal loans proportion due to the possibility of debtors being unable to repay loans from financial institutions. Therefore, the auctioning of overdue loans or NPLs by financial institution loan issuers have increased.

However, consider the total loan and non-performing loans and the proportion of non-performing loans to credit within the system of commercial banks, which is another important factor used in considering the Company's business opportunities.

NPL in Thailand



Source : “Loans as classified by debtor type and credit type within the system of commercial banks” and “Accrued debt information, loans to related parties, and fines as classified by financial institution type” from the Bank of Thailand at www.bot.or.th, 2021

According to data from the Bank of Thailand, which discloses loans as classified by debtor type and loan within the system of commercial banks, it was observed there were 13.63 trillion baht, 14.73 trillion baht, 15.11 trillion baht, 15.63 trillion baht, 16.81 trillion baht and 17.86 trillion baht in 2016, 2017, 2018, 2019, 2020 and 2021, respectively in Thailand. Meanwhile, the amount of non-performing loans in Thailand amounted to 0.39 trillion baht, 0.43 trillion baht, 0.44 trillion baht, 0.47 trillion baht, 0.52 trillion baht and 0.53 trillion baht in 2016, 2017, 2018, 2019, 2020 and 2021 respectively, accounting for 2.84 percent, 2.91 percent, 2.91 percent, 2.98 percent 3.11 and 2.97 percent of total loans in the system in 2016, 2017, 2018, 2019, 2020 and 2021 respectively.

The data shows that non-performing loans is increasing every year causing the possibility of increase in the Company’s work directly. Furthermore, the data confirms the positive correlation between non-performing loans and amount of credit in the economy.

However, considering debts related to the Company’s current business operations, it was observed that the Company mainly provides services related to the management of debts from commercial banks. Therefore, debts from commercial banks or financial institutions that are both customers of debt negotiating, tracking, collecting, and expediting services businesses and auctioneers of debt to non-performing asset investment and management businesses are significant factors to the Company’s operations.

At the end of 2021, Thailand’s accrued commercial bank loans totaled at 17.86 trillion baht, compared to 2019 and 2020 at 15.63 trillion baht and 16.81 trillion baht, respectively. In 2020, the increase from 2019 was 2.23 trillion baht (accounting for a growth rate of 14.27 percent) and in 2021, the increase from 2020 was 1.05 trillion baht (accounting for a growth rate of 6.24 percent), respectively. The main cause is the continuous growth of consumer and corporate loans.

In 2021, consumer loans amounted to 5.27 trillion baht, accounting for 30.28 percent of the total loans in the system (excluding financial business) with details as follows:

Commercial Bank Loans ^{1/}	2019		2020		2021	
	Trillion Baht	Proportion	Trillion Baht	Proportion	Trillion Baht	Proportion
Land Loans	0.05	1.01%	0.05	0.97%	0.05	0.95%
<i>growth rate</i>	-	(0.42)%	-	1.04%		3.17%
Home loans	2.32	47.84%	2.46	48.41%	2.57	48.77%
<i>growth rate</i>	-	7.91%	-	5.93%		3.10%
Car loans	1.15	23.71%	1.18	23.23%	1.18	22.39%
<i>growth rate</i>	-	12.75%	-	2.39%		0.12%
Personal loans	1.11	22.89%	1.12	22.02%	1.20	22.77%
<i>growth rate</i>	-	23.33%	-	6.30%		7.90%
Credit card loans	0.27	5.57%	0.27	5.28%	0.27	5.12%
<i>growth rate</i>	-	12.50%	-	2.14%		1.74%
Total	4.85	100%	5.08	100%	5.27	100%

Source: Documents for the press conference titled “Performance of the Commercial Banking System from 2017 – 2019” at www.bot.or.th

Remark: ^{1/}Loan data based on the press release of commercial bank performances with industries categorized by the ISIC Rev. 4, which differs from the statistical financial institution data from www.bot.or.th

Consumer loans are observed to be of 5 categories according to their purposes, namely land loans, home loans, personal loans, car loans, and credit card loans. In 2021, land loans amounted to 0.05 trillion baht while housing loans amounted to 2.57 trillion baht, or 48.77 percent of consumer loans. Meanwhile, credit card loans which is the main source of revenue from the Company amounted to 0.27 trillion baht or 5.12 percent of consumer loans, close to that of 2020. Although credit card loans is a small proportion, it is steadily and continuously growing. The Company, therefore, has the opportunity for more business operations from the accrued credit card balance in the system that has a tendency to grow alongside car loans, private loans, and credit card loans. However, kindly consider the non-performing consumer loans and non-performing corporate loans as follows:

Items ^{1/}	2019		2020		2021	
	Trillion Baht	Proportion	Trillion Baht	Proportion	Trillion Baht	Proportion
Non-performing consumer loans	0.14	2.89%	0.14	2.76%	0.14	2.66%
Consumer loans	4.85	100.00%	5.08	100.00%	5.27	100.00%
Non-performing business loans	0.33	3.06%	0.38	3.24%	0.39	3.22%
Business loans	10.78	100.00%	11.74	100.00%	12.12	100.00%
Non - performing consumer loans and business loans total	0.47	3.01%	0.52	3.09%	0.53	2.97%
Consumer loans and business loans total	15.63	100.00%	16.82	100.00%	17.39	100.00%

Source: Press release on the performance of the commercial banking system in 2021 at www.bot.or.th

Remark: ^{1/} Loan data based on the press release of commercial bank performances with industries categorized from the website (https://www.bot.or.th/App/BTWS_STAT/statistics/BOTWEBSTAT.aspx?reportID=784&language=TH)

Data from the Bank of Thailand reported on the accrued loans of commercial banks at the end of 2021 observed that non-performing loans amounted to 0.53 trillion baht, increasing from 2020 with an accrued amount of 0.52 trillion baht, or a 1.92 percent increase. In 2021, non-performing consumer loans amounted to 0.14 trillion baht or 26.41 of non-performing loans.

Non-Performing Loans (NPL) ^{1/}	2019		2020		2021	
	Billion Baht	Proportion to NPL	Billion Baht	Proportion to NPL	Billion Baht	Proportion to NPL
Home loans	87.8	18.88%	94.6	18.09%	92.0	16.91%
Car loans	21.5	4.62%	16.9	3.24%	17.7	3.25%
Personal loans	24.7	5.31%	26.4	5.04%	27.9	5.13%
Credit card loans	6.6	1.42%	6.4	1.22%	6.1	1.12%
Total	140.6	30.23%	144.4	27.59%	143.7	26.41%

Source: Documents for the press release titled “Performance of the Commercial Banking System from 2019 – 2021” at www.bot.or.th

Remark: ^{1/} Loan data based on the press release of commercial bank performances with industries categorized from the website (Bank of Thailand (Statistical data) FI_NP_003_S2 Accrued Gross NPLs classified by business type (ISIC Rev.4) 1/ (bot.or.th))

When considering non-performing loans of the 4 consumer loans, it was observed that in 2021 non-performing house loans and private loans have increased from 2020. On the other hand, non-performing car loans has a tendency to decrease while credit card loans has a tendency to remain stable or slightly decrease when compared to 2020.

When considering only the non-performing loans that directly affect the Company’s core business, comprising of non-performing personal loans and credit card loans, it was observed that non-performing personal loans amounted to 27.9 billion baht and 6.1 billion baht in 2020 and 2021 respectively.

The increase of non-performing loans is due to 4 factors namely (1) the spread of the COVID-19 virus directly affecting global economy including Thailand with impacts on tourism and others; (2) global financial market volatility; (3) economic recession and contraction; and (4) increasingly strict rules and regulations of the Bank of Thailand resulting in the increase of non-performing debt. Countries with a relatively high economic growth rates such as the ASEAN region, especially Thailand face problems from the spread of the COVID-19 virus resulting in the 90 percent reduction of tourists. Additional issues include those of the state investment (including disbursement from the state budget), private sector, politics, Thai Baht currency value, or even natural disasters and disease outbreaks affecting the country’s economy.

The aforementioned factors yield a positive opportunity for the Company to buy and manage debt, as the Company plays an important role in preventing pointless debt loss from the economic system. The Company provides debt negotiating, tracking, and collecting services from commercial banks as well as buying debts at auctions for further management. The opportunity for revenue from such services has a positive correlation with non-performing debt, which also suggests more customers for the Company.

■ Debt Negotiating, Tracking, Collecting, and Expediting Services Business

In 2017 - 2021, the group of employers determining the direction of debt negotiating, tracking, collecting, and expediting services operations of the Company comprises of companies in the information and communication technology group and commercial banks. The results of operation revenues are shown in the following table:

Revenue by type of employer	2018		2019		2020		2021	
	Million Baht	Proportion	Million Baht	Proportion	Million Baht	Proportion	Million Baht	Proportion
Financial institutions (Commercial banks)	11.08	26.74%	29.07	47.37%	20.95	40.67%	22.81	56.87%
General companies (Companies in the Information and Communication Technology group)	30.36	73.26%	32.30	52.63%	30.56	59.33%	17.30	43.13%
Total	41.44	100.00%	61.37	100.00%	51.51	100.00%	40.11	100.00%

From the above information that in 2021, the revenue from the business is mainly from the debt collection from financial institutions and companies in the IT communication group. It can still be observed in 2021 that the Company has decreased revenue from debt collection from financial institutions as compared to 2020 with a decrease of approximately 11.40 million baht or 22.13 percent. This is because in 2021, Thailand is faced with the spread of the COVID-19 virus resulting in the debt suspension of companies in the IT communication group as per measures imposed by employers. In 2021, however, those measures have been lifted and it is predicted that revenue from negotiating, tracking, collecting, and expediting debt during 2022 where if the impacts of the spread of the COVID-19 have decreased and becomes an endemic, will certainly increase.

Factors affecting the industry of debt negotiating, tracking, collecting, and expediting services

The business of debt negotiating, tracking, collecting, and expediting services is a business sector related to both domestic and international economic conditions. Economic recession (due to the spread of the COVID-19) causes customers and/or entrepreneurs whom are borrowers face difficulty in repaying and/or unpaid payments for goods and services resulting in accrued loan payments as well as accrued goods and services fees. This has a tendency to increase and not only with financial institutions, but also with installment payments and other product and service monthly fees as well.

An economic factor positively affecting the debt negotiating, tracking, collecting, and expediting services business is economic expansion. During economic recession, such as disease outbreaks or stagnations, the layoff and unemployment rates will increase, leading to the decrease in the population's income and the increase in accrued debt of customers in the IT communication group and commercial banks which, in turn, leads to more non-performing debt in the system. Eventually, the employment rate in the debt negotiating, tracking, collecting, and expediting services business will increase. During economic expansion or growth, the rate of accrued debt occurring is lower than during economic recession leading to less non-performing debt in the system.

In this regard, the factors affecting the business of negotiating, collecting and collecting debts of the Company from direct employment of commercial banks are the amount of non-performing debt in the household sector. The accrued balance of non-performing loans (NPL) in the system by business type can be classified as follows:

Unit: million baht

Accrued balance of non-performing loans	2019	2020	2021
Agriculture, forestry, and fisheries	6,748	9,486	9,998
Mining and quarrying	3,756	3,539	4,037
Production	111,998	109,565	116,927
Construction	18,554	22,309	24,132
Wholesale, retail, and repairs of automobiles	113,050	122,425	126,326
Finance and insurance	5,158	9,693	10,623
Real estate	30,815	30,916	32,605
Utilities and transportation	6,198	29,058	16,329
Services	28,168	41,880	46,030
Personal consumption	140,573	144,380	143,717
Others	7	10	11
Total	465,026	523,261	530,736

Source: Information on “Gross NPLs accrued in the system as classified by business type” from the Bank of Thailand for the 4th quarter of 2021 at www.bot.or.th/

From the accrued balance of non-performing loans in the system by business type, it was observed that the system of non-performing loans in Thailand amounts to 465,026 million baht in 2019, 523,261 in 2020 and 530,736 in 2021.

The main non-performing loans related to the Company’s debt collection and debt expediting business are personal consumer loans from commercial banks.

Considering the accrued balance of non-performing personal loans in the system, it was observed to be increasing every year with the increasing trend of total non-performing loans in the system Non-performing loans for personal consumption were equal to 140,573 million baht in 2019, 144,380 million baht in 2020 and 143,717 million baht in 2021.

The main income of the debt negotiating, tracking, collecting, and expediting services business comes from providing services to companies in the information and communication technology group. Therefore, the information and communication technology industry is another industry that directly affects the operating results of the Company’s business.

Companies in the information and communication technology group are the main customers of the debt negotiating, tracking, collecting, and expediting services business. In 2021, the wireless telecommunication market in Thailand is continuously expanding from 2020, driven by the growing market for information communication and online digital services. The main driving force is the introduction of mobile broadband internet services through 3G, 4G and 5G networks among consumers. This along with intense marketing strategies among wireless telecommunication operators under intense competition to attract consumers to use more information services. The aforementioned factors have increased the opportunity of the Company’s debt negotiating, tracking, collecting, and expediting services business in providing services as well. This was because borrowers of goods and services

In addition, the mobile phone industry in Thailand has been growing steadily for several years in a row with service providers expanding their networks and increasing digital services to gain more market share. These industries have issued sales promotions and marketing plans for subsidizing the cost of mobile phones or issuing packages and new services to attract customers. Service providers are aware of the fact that the current price of mobile phones are at the level that is accessible to by consumers of all genders/age groups as well as the increasing trends of receiving news and information through mobile phones, and has in turn provided promotional policies that are responsive to the needs of customers in order to expand their market.

Nonetheless, due to the modernization of technological development along with the network service technology of employers' companies such as the development of overdue notification systems, automated notifications, and direct debt tracking with customers will greatly affect the Company's employment because if the employer company can perform such roles by themselves, the role and revenue of the Company's services will be reduced. At present, such effect has already taken place and the Company is in the midst of finding solutions to maintain this role and to increase capabilities by applying technologies and expertise of employees for a higher level of service.

■ Customer service center business

At present, private companies are increasingly prioritizing the quality of services for maximal customer satisfaction. An accepted way of doing so among businesses of all sizes is the use of call-center services to support the numerous needs of customers. The solution of providing such services is outsourcing experts due to the lower cost of operations, which is especially true for call-center services. Such services are an important tool for managing customer relations and essential for businesses for responding to customers in a timely manner. In addition, the economic crisis has driven businesses to outsource call-center services to create satisfaction and maintain customers base. Businesses highly prioritizing call-center services include commercial banks, financial institutions, and companies in the information and communication technology group. These companies have massive customer base and customer behavior habitually includes studying information before making a decision. According to Frost & Sullivan Company Limited, a global market research company, it is observed that call-center services in Thailand at present has a total market value of over 4,000 million baht with an average growth rate of 11 percent per year. In Thailand, customer call-center services can be classified into 4 main types as follows:

- (1) Outsourced contract solutions services, wherein the main customers are government agencies and private sectors of various businesses such as retailers, commercial banks, financial institutions, consumer goods, and airlines.
- (2) Total turnkey solutions services, providing services ranging from installation of IT systems and software related to call-center services to the delivery of ready to use work. The main customers of this service includes large government agencies and private sectors with demand for expert installations but will self-manage said systems.
- (3) Sales of goods and services through various channels including telemarketing services including various businesses from selling credit cards, insurances, memberships, utilities, cosmetics, food supplements, drugs, and others. This marketing trend focuses on generating profit from providing services.
- (4) In-house contract centers refers to large government agencies or private sectors that procure and manage call-centers by themselves. The majority are companies with highly confidential information.

It is observed that the call-center business at Chayo call-center, a subsidiary of CHAYO GROUP established in 2016, has the business opportunity to expand into a variety of call-center services in the future if able to be developed for acceptance in the industry. The Company has the strength of being a service provider for companies in the IT communication group recognized at a national level, resulting in a high chance of being accepted. The customer call-center service industry is growing steadily into the future. The globalization of the business world makes data as valuable as gold, therefore all business entities must focus on providing accurate, fast, and verifiable information. The aforementioned opportunity had a positive impact on the Company's business. In case the Company expands the market into the wholesale and retail industries, the Company is able to develop customer relations which in turn generates more jobs in the debt tracking and collection as well.

Competition Conditions

■ Non-performing asset investment and management businesses

In 2021, securities management companies have not increased much from 2020. The number of securities management companies in Thailand since 2020 has increased by around 3 companies due to the economic stagnation from the spread of the COVID-19 virus resulting in a reduction in investments that require large amounts of capital. In addition, the new accounting standards imposed on 1 January 2020 may cause financial institutions to set more reserves, resulting in the reduction of costs and prices of non-performing assets.

■ Debt Negotiating, Tracking, Collecting, and Expediting Services Business

At present, there are approximately 20 companies registered for debt tracking and collection services. Due to the Company being prepared in terms of personnel, database systems, standardized work operations, and 23 years of experience in the debt tracking and collecting services, resulting in the Company being able to continuously provide debt negotiating, tracking, collecting, and expediting services. The main customers of the Company are companies in the IT communication group, commercial banks, and financial institutions that have consistently provided good feedback. In addition, with the Ministry of Finance issuing the Fair Debt Collection Act, debt collection business operators are obliged to work with more standards, such as installing a recording system while talking to debtors. The Company predicts that companies providing such services must establish a standardized tracking system. Therefore, competitors of this type of business require large investments. Furthermore, due to the nature of such business, employers seldom hire only a single company to negotiate, track, collect, and expedite debts. Several companies are usually hired at once, with performance performances being recorded and a ranking system of debt collections for consideration in assigning additional tasks to companies with a history of achieving goals or dismissing companies that do not meet goals or with a bad ranking.

In the event that the number of assignments is reduced, the Company is confident in the ability to maintain the advantage in this type of business operation. This is owing to the Company's possession of modern tools, standardized debt collection and tracking system, as well as sufficient capital for running the business from which the Group will receive from raising funds in the Market for Alternative Investment (mai) to be used for developing business potential.

■ Customer service center business

Customer call-center businesses is changing according to consumer behavior and technological advancements. Several companies have adopted a variety of technologies as an important part of doing business, as well as facilitating the training to develop employee efficiency in providing services. Running a customer call-center business requires expertise, investment, and experience of personnel.

- (1) At present, the competitors of the Company's call-center business can be divided into 2 types: outsource call-center services companies providing a variety of services, such as contacting target customers to make product recommendations, telemarketing sales, marketing survey services, as well as customer satisfaction survey services. These companies operate a call-center business resulting in more intense and diverse industry competition.
- (2) The employing company's own call-center services. Currently, the businesses that prioritizes customer relations management are commercial banks, financial institutions, and businesses in information and communication technology. These businesses are becoming more aware of the importance in facilitating internal departments to manage customer relations information for their own customers resulting in more intense competition in the industry may arise due to the fact that businesses with their own internal department no longer has the demand for outsources.

In addition, due to the increasing trend of competition, any companies that operates a call-center business must build trust to the employer to be confident that the employer will be facilitated and receive quality service rather than the operation themselves, saves costs and resources including having to create a good image for the organization. With the knowledge and expertise of the personnel of the Company and its subsidiaries including experience in related business operations can make the Company credible in the eyes of customers / employers in the industry. However in 2021, the Company's revenue from customer call-center business is not very high due to the impact of the COVID-19 pandemic. At present, customer call-center employees have been moved to collect debts for affiliated companies and perform other duties as necessary.

■ Loans and credit business

The overall market for lending businesses is continuously growing. In 2021, the growth has exceeded expectations from customer demands for loans and from market conditions where financial institutions are lending with caution and strictness. This is also coupled with informal debt suppression policies where the government encourages people to borrow formal loans or through agencies or companies regulated by the government and the adjusted marketing strategies appropriate to current situations. In 2021, the extreme economic recession since 2019-2020 has caused the household and corporate sectors to be lacking in working capital. This results in the increased demand in relative to previous years for credit or loans for consumption and, consequently, the increase in market competition. Although the Company has expanded, the Company still uses caution in lending of loans or credit since a high amount of NPLs is undesired.

■ Call-center product sales business

The business of selling products through call-centers has changed according to the behavior of consumers as well as the inclusion of technology and innovations in production and services. Several companies have implemented product research and social media to become an important part in promoting more marketing and sales as well as training to develop employees to be skilled in enhancing consumer satisfaction. The business of selling products through call-centers requires knowledge, expertise, product attractiveness, trend market analyses and/or services, investments, and the work experience of personnel. Such market is very competitive at present time, and the Company has thus delayed this business.

(3) Procurement of products and services

• Procurement of Funding Sources

Chayo Group Public Company Limited and its subsidiaries (the Group) operates mainly in businesses related to the management of non-performing assets including buying debts at auctions and managing non-performing assets, both secured and unsecured. The Group also operates a loan business, therefore the source of services derives from the procurement of capital for the Company's business operations. The Company's source of capital is shareholders, borrowing from financial institutions, as well as the issuing and offering of debentures. As of 31 December 2019, 2020 and 2021, the Company has sources of funds as follows:

Source of Funds	2019		2020		2021	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Loans/debentures	542.80	78	1,021.97	100	-	-
Stockholder's equity	153.20	22	-	-	2,117.52	100
Source of funds total	696.00	100	1,021.97	100	2,117.52	100

(4) Assets used in business operations

• Main fixed assets used in business operations

As of 31 December 2021, fixed assets used by the Company in business operations have a net value after deducting accumulated depreciation equal to 32.59 million baht, which can be presented as follows:

Asset Types	Ownership Types	Net Worth (million baht)	Encumbrance
Property, buildings, and equipment			
Property			
Location: Anusawari, Bang Khen, Bangkok For use as an office building	Owned by the Company	12.13	With encumbrance
Buildings and building improvements	Owned by the Company	33.44	With encumbrance
Office supplies	Owned by the Company	2.27	No encumbrance
Furnishings and fixtures	Owned by the Company	0.21	No encumbrance
Vehicles	Tenancy (financial lease)	8.60	Financial lease
Property, buildings, and equipment total		56.65	
Real estate for investment			
No. 1/44 Location: Watcharaphon Road, Tha Raeng, Bang Khen, Bangkok Unspecified purpose of use	Owned by the Company	1.40	With encumbrance
3 booths commercial building Location: Chokchai Si Road Soi 22, Lat Phrao, Lat Phrao, Bangkok	Owned by the Company	5.77	With encumbrance

Asset Types	Ownership Types	Net Worth (million baht)	Encumbrance
4 booths commercial building Location: Anusawari, Bang Khen, Bangkok	Owned by the Company	5.33	No encumbrance
Real estate for investment total		12.50	

• Intangible Assets Used in Business Operations

As of 31 December 2021, the Company has net intangible assets amounting to 2.09 million baht, which were items of rights to use computer programs such as personnel management systems, general office programs, customer data management programs and office programs to expand the system to support the increased telephone systems according to the Company's plan. The Company has a policy to write off intangible assets throughout the estimated useful life within a period of 3 years.

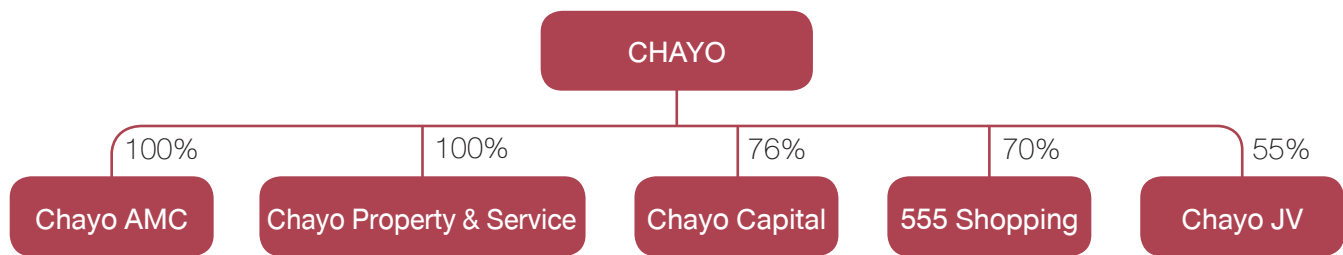
• Investments in Subsidiaries

	Registered Capital (Baht)	Shares	Share Value (Baht)	Proportion of Shares (percent)
Chayo Asset Management Company Limited	200,000,000.00	40,000,000	5.00	100
Chayo Property and Services Company Limited	20,000,000.00	2,000,000	10.00	100
Chayo Capital Company Limited	250,000,000.00	25,000,000	10.00	71
555 Shopping Company Limited	7,000,000.00	200,000	35.00	70
Chayo JV Asset Management Company Limited	920,000,000.00	9,200,000	100.00	55

(5) Work that has not yet been delivered

- None

1.3 Group shareholding structure as of 31 December 2021



Persons With Possible Conflicts of Interest Holding Shares in Subsidiaries or Associates of More Than 10 Percent of the Number of Shares With Voting Rights of the Company.

The Company has no subsidiaries, associates, or companies under control

Relationship Of Major Shareholders with the Group

Mr. Suksan Yasasin, a major shareholder of CHAYO, holds shares in CC Alliance Company Limited (“CCA”), a company that operates business similar in nature to commercial banks by managing non-performing assets, which was established on 4 December 2013 by 3 shareholders of the Company, consisting of Mr. Suksan Yasasin, Ms. Jaruwan Chaiyon and Mrs. Pim Pattamasing Na Ayuthaya collectively holding shares in CCA at 49.00 percent of the total issued and paid-up capital (Mr. Suksan Yasasin at 48.36 percent, Ms. Jaruwan Chaiyon, at 0.32 percent, and Mrs. Pim Pattamasing Na Ayuthaya at 0.32 percent); and Capital Advisory Services (Thailand) Company Limited (no relationship with CHAYO and Mr. Suksan Yasasin) holds 51.00 percent of the total issued and paid-up capital. In December 2013, CCA has auctioned 1 unit of non-performing assets amounting to 47.50 million baht. As of 31 December 2020, according to the unaudited financial statements, CCA had a remaining cost of the aforementioned non-performing assets amounting to approximately 0.00 million baht and an accrued debt of approximately 1,890 million baht. However, CCA is a company established to invest in only one unit of collateralized non-performing assets. CCA does not operate for any other purpose that is not related to the auction of the said unit of non-performing assets (CCA will manage only one unit of the currently existing non-performing assets and will not invest in any additional non-performing assets in the future) as stipulated in the pledge (Shareholders’ Agreement) between Mr. Suksan Yasasin and Capital Advisory Services (Thailand) Company Limited. CCA will cease business as soon as the non-performing assets management has ended as resolved by the Annual General Meeting of Shareholders No. 1/2017 of CCA on 28 April 2017.

Shareholders

1. Major Shareholders

Information from the closing of the register book as of 10 January 2022 shows the list of major shareholders and the top 10 shareholding proportions as follows:

No.	List of Shareholders	Number of Shares	Percentage
1	Mr. Suksan Yasasin	336,642,658	33.30
2	Mr. Paiboon Sereewiwattana	36,984,576	3.66
3	Mr. Rittirong Boonmechote	33,066,667	3.27
4	Doctor Pongsak Thammathataree	33,020,528	3.26
5	Mr. Somyos Munnitivorakul	27,000,000	2.67
6	Mr. Natthawat Yasasin	24,254,514	2.40
7	Mr. Sura Khanittaweekul	22,693,153	2.24
8	Mrs. Waranee Sereewiwattana	16,800,533	1.66
9	Thai NVDR Company Limited	9,172,895	0.91
10	Mrs. Pim Pattamasing Na Ayuthaya	9,022,542	0.89
Total shareholding of the first 10 shareholders.		548,958,069	54.26
Other minor shareholders		462,798,865	45.74
Total		1,011,756,934	100.00

2. Shareholding in Other Companies

The Company does not hold shares in other companies.

3. Agreement Between Major Shareholders

- None

1.4 Amount of Registered and Paid-up Capital

The Company has registered capital and paid-up capital on December 31, 2021 as follows:

“Article 4. Registered Capital Amount	643,673,646	Baht	(six hundred forty-three million six hundred seventy-three thousand six hundred forty-six baht)
Shares	1,287,347,292	shares	(one thousand two hundred and eighty-seven million three hundred forty-seven thousand two hundred ninety-two shares)
Par Value	0.50	Baht	(Fifty satang)
Separated into:			
Common Stock	1,287,347,292	shares	(one thousand two hundred and eighty-seven million three hundred forty-seven thousand two hundred ninety-two shares)
Preferred Shares	-	shares	(-)”

1.5 Others Securities Issuance

The Company has 2 tranches of unredeemed debentures as at December 31, 2021, with a value of 1,330.10 million baht, details as follows:

- Debentures of Chayo Group Public Company Limited No. 1/2020, due in the year 2022

Types of Debentures : Name of the Holders	Term of Debentures : 2 years
Total Value of Debentures Offered for sale : 300,000,000 baht	Number of Debentures Offered for sale : 300,00,000 baht
Par Value Per Unit : 1,000 baht	Offering Price Per Unit : 1,000 baht
Issue Date : July 31 2020	Maturity Date : August 1 2022
Interest Rate : 6.00%	Interest Payment Date : Every 3 months throughout the bond term.
Residual Value : -	
Recently Reviewed Credit Rating : No credit rating.	
Debenture Registrar : Siam Commercial Bank Public Company Limited	
Secondary Market for Debenture Trading : -	

- Debentures of Chayo Group Public Company Limited No. 1/2020, due in 2024 in which the debenture issuer has the right to redeem before the maturity date.

Type of Debentures : Name of the Holders	Term of Debentures : 3 years
Total Value of Debentures Offered for sale : 1,250,000,000 baht	Number of Debentures Offered for sale : 1,130,100,000 baht
Par Value Per Unit : 1,000 baht	Offering Price Per Unit : 1,000 baht
Issue Date : November 23, 2021	Maturity Date : November 23, 2024
Interest Rate : 5.7000%	Interest Payment Date : Every 3 months throughout the bond term.
Residual value : 119,900,000 baht	
Recently Reviewed Credit Rating : No credit rating.	
Debenture Registrar : CIMB Thai Bank Public Company Limited	
Debentureholders Representative : Asia Plus Securities Company Limited	
Secondary Market for Debenture Trading : -	

1.6 Dividend Policy

Company's Dividend Policy

The Company's dividend policy is to pay not less than 40% of the net profit after income tax of the individual financial statements following the legal reserve allocation as dividends. The rate at which dividends are paid is determined by the investment strategy, conditions, and restrictions set forth in the Loan agreement or other relevant arrangements (if any), financial situation and performance, as well as other company-related factors. The Board of Directors may consider reviewing and amending the dividend payment policy from time to time in order to meet the Group's future capital and working capital requirements, as well as other considerations as it deems appropriate, and in accordance with relevant laws.

Dividend Payment Policy of Subsidiaries

The Company's dividend policy is to pay not less than 40% of the net profit after income tax of the individual financial statements following the legal reserve allocation as dividends. The rate at which dividends are paid is determined by the investment strategy, conditions, and restrictions set forth in the Loan agreement or other relevant arrangements (if any), financial situation and performance, as well as other company-related factors. The Board of Directors may consider reviewing and amending the dividend payment policy from time to time in order to meet the subsidiaries' future capital and working capital requirements, as well as other considerations as it deems appropriate, and in accordance with relevant laws.

2

Risk Management

2.1 Risk Management Policy and Plan

The Company understands the necessity of risk management. This will aid the Company in achieving its business plan, objectives, or goals, as well as maintaining excellent corporate governance as it grows steadily and sustainably. As a result, the Company has formed a risk management policy to serve as a guideline and structure for all of the Company's departments. For those involved in risk management, such as the Board of Directors, Audit Committee, Risk Management Committee, senior management, Risk Management Working Group, person responsible for managing the agency internal inspector's evasion, and all employees, the roles, duties, and responsibilities are clearly defined. Furthermore, in order for the Company to execute its Company and fulfill its objectives, a systematic avoidance management approach has been devised, and can control the risk to an acceptable level including assigning those responsible for the agency Including the operators to communicate information about the risks together, and regularly report on risk management to the Risk Management Committee.

2.2 Risk Factors Relating to the Company's Business Operation

The risks indicated below are some of the most significant risks that could harm the Company's business, financial situation, performance, and business possibilities, as well as the value of its common stock. There may also be other risks that the Company is unable to anticipate at this time or that the Company analyzes at this time but does not believe that they will have a major impact on the Company's business operations.

In addition, forward-looking statements such as "believes," "predicts," "expects," "plans," "wishes," "estimates," or financial projections, future projects performance projections, business, business expansion plan, changes in laws related to business operations government policies in different countries and other factors which are anticipating future events. It is the opinion of the Group at present and does not constitute an endorsement of its operations, or future events in any way. Actual results or events may differ materially from such estimates or expectations.

For information about the Thai government or the general economy of the Thai market, as well as other countries in the global market. The Company received the information from the information disclosed or copied from government papers or other trusted sources. The Company, on the other hand, has not verified or certified the accuracy of such information or the method of acquiring it in any way.

At present, the Company operates 5 types of businesses, namely Non-performing asset investment and management, debt negotiating, tracking, collecting, and expediting services business, customer service center business, business lending both collateral and without collateral ,and selling products through call center, which all 5 businesses have different risks according to business types as follows:

Risks to the Business Operations of the Company or the Group

• Non-performing Asset Investment and Management Business

- Risks from Investing in Non-performing Assets

The Company auctions off a pile of non-performing loans, both collateralized and unsecured, from banking institutions and other financial institutions in order to supervise management by accepting claims transfers, following up on debts, and prosecuting debtors. As a result, the Company faces the risk of bidding for a large number of non-performing loans at an inappropriate or excessive price, as well as the risk of debt collection that is less than projected. As a result, such investments are either not worthwhile or result in losses.

However, before each auction to purchase a pile of non-performing loans. The Company has analyzed the details of the NPLs and other related information in order to make a decision in each auction of the NPLs, including collateral analysis (In the case of a secured debt auction), age of the debtor type of debt, average debt limit for each individual estimated, expected cash flow from non-performing asset management. Storage costs and other related information, and continue to monitor the results of debt collection as well as analyze the results of debt collection or debt purchase in the future as well. In addition, the Company has set up the Asset Management Committee to consider every auction of debt. Such committee is responsible for analyzing the information in order to make decisions and determine the appropriate auction price for the pile of non-performing loans.

- Risk of Unsecured Debt Management That May Not Receive a Return on Investment.

Investing in unsecured debt is a purchase and/or bid for debts that do not have any assets placed as collateral for payment in the event that the debtor goes bankrupt. The Company may have to divide the assets with other creditors based on rights and proportions, and may result in the Company by not receiving a return on investment because in the event that the Company is unable to collect debt from such debtor, whether through the debt collection process or legal litigation procedures. The Company will not be able to make any claims against the debtor's debts in bankruptcy.

However, before each auction to purchase a pile of non-performing loans, the Company has analyzed the details of the NPLs and other related information in order to make a decision in each auction of the NPLs, including the analysis of the debtor's age type of debt, average debt limit for each individual estimated, expected cash flow from non-performing asset management. Storage costs and other related information and continue to monitor the results of debt collection as well as analyze the results of debt collection or debt purchase in the future as well. In addition, the Company has assigned the Asset Management Committee to consider every auction of debt. The Committee is responsible for analyzing the information in order to make a decision and set the auction price for the pile of non-performing loans appropriately. Usually, the purchase price and/or the auction price are not very high due to the reasons mentioned above. In addition, due to the experience from the business of negotiating, monitoring, and collecting debts that the Company has operated for more than 20 years, lead the Company to enable to collect debt to archive the goals or at a level close to the target by requiring that the collection plan be tracked and the report is prepared, and specify the reasons and solutions in the event that employees are unable to track and collect debts according to the specified goals to improve and find ways to improve and develop the Company's business further.

- Risk from Competition in the Industry or the Risk that the Company is Unable to Bid for New Piles of Non-performing Assets

To conduct business of investing and managing non-performing loans, both with collateral and without collateral, business operators need a license to conduct business, readiness for investment and the potential to provide services for negotiating, tracking, collecting and expediting debt. At present, entrepreneurs who are private companies (and not affiliated with a financial institution or not owned or organized by the government), there are not many of this type of business. At present, most operators are affiliated companies of financial institutions who are sellers of non-performing loans and have a policy to purchase non-performing loans from affiliated companies only. The Company may still be exposed to industry competition risk from the auction of non-performing loans in terms of price and capital, and the auction of non-performing loans of companies which established by governments with relatively high funding sources. This may result in the Company not having any additional piles of non-performing loans to manage and affect the Company's revenue. Risks in terms of higher capital utilization for auction of non-performing loans from financial institutions and non-financial companies. The market is huge, especially during bad economic period. As a result, financial institutions or affiliated companies are unable to follow debt collection thoroughly. In addition, debt tracking and collection may have high tracking costs and not worth the investment or monitoring. In addition, entrepreneurs who are private companies, as well as companies that have limited capital, therefore, the Company believe that the Company has a low risk of competition in the industry.

- Risk from Debtor's Ability to Repay Debt from Non-performing Loans

Debtor's debt repayment risk is a factor that affects the income of the investment and asset management business. In the event that the debtor is affected by external factors such as economic volatility or natural disaster. This will affect the debtor's ability to repay the debt and helps the Company to reduce risk of debt collection. However, if the economy is good, the debtor's ability to pay debts also tends to improve.

As a result, the Company examines debt collection on a regular basis in order to assess the debtor's ability to repay and to establish policies to encourage debt recovery, such as a discount policy for settling debts during holidays or important days, and sales promotions (Promotion).

- Risk from Dependence on Management

Top executives of the Company, Asset Management Chayo Company Limited, which is Mr. Suksan Yosasin, currently serves as the Chief Executive Officer. He is knowledgeable and well experienced in business administration. As a result, the Company must rely on knowledge arising from skills and long experience with knowledge, ability and expertise in managing non-performing loans, which may affect the ability of the Company's operations, which will fail the operation to archive the goals.

However, the Company has foreseen the risk of relying on such executives and other personnel with special expertise in the Company. Therefore, the Company has a plan or assigns high-level Company personnel to work interchangeably in accordance with the control of the internal control system, such as related duties and responsibilities, confidentiality of information, operating procedures of each segment and approval authority according to the organizational structure. In addition, top executives in such businesses occasionally switch roles to reduce risks and share work experience, and the Company also attaches importance to the creation and retention of the Company's personnel to prevent and reduce the risks that may arise. The Company has set guidelines to improve the quality of

the Company's employees by sending them to various training courses in order to enhance their knowledge and abilities, and reduce their dependence on any specific employee, along with encouraging employees to feel part of the Company by providing appropriate care and welfare to employees at each level to build morale in the work. In addition, the succession plan is to set guidelines for recruiting successors by requiring the Nomination and Remuneration Committee to be the recruiter to determine the recruitment plan for the succession of the Chief Executive Officer, as well as propose a list of suitable candidates to be considered for succession on a regular basis to the Board of Directors to consider appointing when there are vacancies. For example, when the position of Chief Executive Officer is vacant or the person in the position is unable to perform their duties, the Company requires executives at the level nearby, or the Deputy Chief Executive Officer who is acting in the position until the recruitment and selection of qualified persons according to the criteria specified by the Company in order to propose to the Board of Directors for consideration and approval of the appointment and/or key positions within the Company that will enable the Company to operate and expand its business sustainably as well as define the necessary characteristics and abilities of key positions. It requires the Company's internal employee recruiting strategy first to build employee loyalty and morale. The personnel department will determine the guidelines for creating successors in accordance with the guidelines set by the Company and will be evaluated for each position every year, such as organizing activities for mutual relations in-house seminars, based on the guidelines that the Company continues to operate as mentioned above. As a result, the Company has never encountered a shortage of personnel.

- The Risk of Complaints or Litigation Arising from Debt Collection that Does Not Comply with the Debt Collection Act 2013

The Group is at risk of being sued or prosecuted by debtors, in the event that the employees of the Group of companies have a behavior that violates the Debt Collection Act 2015 under the supervision of the Debt Collection Supervisory Committee, for example, notifying a debt to someone other than a debtor, Submission of documents or any other media containing text, marks, symbols or company names that can be understood as a debtor's debt collection, negotiating with the debtor by misleading the debtor as insulting, intimidating or using harsh words and debt collection outside the time specified by law, which is outside the period, on Monday to Friday from 8:00 a.m. to 8:00 p.m and public holidays from 8:00 a.m. to 6:00 p.m.

In this regard, the Group has managed risk by providing training and testing knowledge and understanding about the Debt Collection Act 2015 before working and regular training and clearly stipulates penalties for employees to prevent violations and commit such offences. There is also a system to monitor the performance of debt collection staff and to survey the satisfaction of those who are tracked and debt collection. In addition, there is a system to prevent overtime debt collection, such as the telephone system of the debt collection and collection staff which cannot be used outside of business hours, etc.

- Risks in Acquiring Investment Sources for Auctions or Debt Purchases

Although the auction of non-performing loans will continue to occur, investing or purchasing a pile of non-performing loans will require a large amount of investment to bid for a pile of non-performing loans. The Company must be ready in terms of funding sources because if the Company wins the auction, the Company must pay the seller in full amount on the day of transfer of the non-performing loans immediately. Most of them are paid within 30 days of winning the auction. Therefore, before bidding, the Company must ensure that if the Company wins the auction, the Company must have sufficient sources of funds for payment.

- The Risk of not Having a Pile of Non-performing Loans in the Market

The Company is at risk if financial institutions or other financial institutions do not bid to sell the pile of non-performing loans to the market, because financial institutions do not have any non-performing loans or are so small that they can manage themselves, or financial institutions have set up affiliated companies to manage by themselves. Due to economic which is directly affecting the emergence of non-performing loans, therefore, if the economy is not good, the non-performing loans will occur or increase implicitly. There are still many financial institutions or affiliates of financial institutions that will not be able to track and collect debt thoroughly. In addition, debt collection may require a large number of personnel and may have high tracking costs, which may not be worth investing or monitoring by itself. Therefore, the Company believes that the risk of not having any non-performing loans in the market is low.

- The risk of changing and increasing the law, rules and practices relevant to existing and emerging businesses.

The Company's operations must adhere to a variety of rules and regulations that directly affect consumers. As a result, the Company's operating results are not in line with the previously established plans. The corporation, on the other hand, has managerial flexibility to handle future developments while also maintaining solid internal control.

- Risks from Various Disasters: epidemics include the outbreak of the COVID-19 virus that has occurred since January 2020 and political policies or issues that may affect the business environment and the turnover of the Company

The Company realizes the importance of being prepared to deal with any disaster that may occur with a Business Continuity Planning: BCP) to support various situations that may arise, such as preparing a second site, planning and testing for employees to work at home, and including preventive measures, such as screening measures, sick measures, or procedures to follow if an incident occurs, all with the goal of mitigating potential impacts and allowing the business to run smoothly and without interruption.

- Risk of Rising Auction Costs Due to the Growing Number of Competitors in the Industry

The investment and asset management firm will be a business with relatively high gross profit and operational profit if the business operator can properly manage its operations. As a result, business partners who are interested in the investment and non-performing asset management sector and have researched in-depth information about the industry want to compete with the Company. The number is still quite large in the economy, and there are still few operators with the expertise and potential to continue operations. As a result, the Company will be able to compete in competitive NPL auctions against a growing number of competitors. As a result, the auction cost of both secured and unsecured debts is likely to increase in the future. In the event that the Company is unable to manage operating costs effectively, it will result in a decrease in profitability of the Company.

In 2021, the number of asset management Companies will increase to 61 companies, which may affect the increase of competitors in the non-performing loans management business. However, most asset management companies are inactive entities. Asset management company affiliated with commercial banks and asset management companies with state enterprise status (i.e. asset management companies Bangkok Commercial Public Company Limited ("BAM") and Sukhumvit Asset Management Company Limited ("SAM")) are left with only 7 - 10 potential competitors to Chayo AMC with most companies that are private companies, including J Asset Management

Company Limited, a subsidiary of JMT Network Services Public Company Limited (“JMT”), Bangkok Commercial Public Company Limited (“BAM”) and government owned companies such as SAM differ from Chayo AMC quite a lot in terms of capital because they are government asset management companies. However, due to the unfavorable economic conditions in 2020 coupled with the adoption of the new accounting standard (TFRS 9) and the outbreak of the COVID-19 virus, this is an unexpected risk. As a result, the amount of bad debt that financial institutions sell out in 2021 is large, so it doesn’t affect the selling price of non-performing debt much. (especially collateral debt)

Furthermore, banking institutions rarely sell their nonperforming assets (NPLs) or receivables to competitors. Chayo AMC has an advantage over new asset management companies that are expected to be competitors in terms of personnel readiness, database system, and standard work, as well as having more than 20 years of experience, work, and reputation in related businesses from the past to the present, the Company is able to effectively manage non-performing loans. Competitors interested in getting into this market must make relatively large initial investments in order to bid on piles of non-performing loans and invest in related work systems. Executives with competence and a high level of business experience are required. As a result, the Company is competitive and capable of competing.

- **Debt Negotiating, Tracking, Collecting, and Expediting Services Business**

- **The Risk of Litigation Arising from Debt Collection that Does Not Comply with the Debt Collection**

Act 2013

The Company is at risk of being sued or prosecuted by the debtor, and/or employer in the event that the Company’s employees violate the Debt Collection Act 2015 under the supervision of the Debt Collection Supervisory Committee, for example, notifying a debt to someone other than a debtor Submission of documents or any other media containing text, marks, symbols or company names that can be understood as a debtor’s debt collection, negotiating with the debtor by misleading the debtor as insulting, intimidating or using harsh words and debt collection outside the time specified by law, namely, in addition to the period of Monday to Friday from 8:00 AM to 8:00 PM and public holidays from 8:00 AM to 6:00 PM.

The Company manages risks by providing training to employees, supervisors, and other relevant individuals. Employees and supervisors must pass a knowledge and understanding test on the Debt Collection Act 2015 regularly and has clearly and clearly imposed penalties on the offending employees, including their supervisors to prevent violations and commit such offenses. This includes having a system to monitor the performance of employees to follow up and collect debts. Tape recording of follow-up negotiations and solicitations and satisfaction surveys of debt collectors and debt collectors. In addition, there is also a system to prevent debt collection outside of office hours, for example, the telephone system of debt collection and collection staff cannot be used outside of business hours.

- **Risk of Debt Collection That May Not Meet the Goals Set by the Employer**

Debt Negotiating, Tracking, Collecting, and Expediting Services Business is a business that is affected by external factors that the Company cannot control, and depends on the economic situation. As a result, the Company has a risk of not being able to collect debts as determined goals. If the Company is unable to collect debts as targets for a long time, the Company may be at risk of not receiving future assignments from the employer.

The Company, on the other hand, has over 20 years of experience in the debt negotiation, tracking, collection, and expediting services business. The Company acts professionally, in accordance with stringent standards and the law, and is able to uphold the employer’s reputation. At this time, the Company is able to recover debts as

targeted or to the level that the employer is satisfied with. As a result, the Company receives tasks from clients on a regular basis. (Moreover, the employer does not want to expand or invest in its own debt collecting operation.) by specifying the reasons and solutions in the event that employees are unable to follow up and collect debt according to the specified goals to improve and find ways to improve and develop the Company's business further.

- The Risk of Shortage of Personnel

Due to the current labor situation, there is increasing competition. In addition, more entrepreneurs have turned to business to provide services for debt negotiation, tracking, collecting and expediting services. As a result, the Group is at risk of having insufficient personnel for the workload of tracking and collecting debt assigned by the employer. Due to the Group's inability to recruit staff to track and collect new debts and unable to maintain the same personnel. This may result in the Group losing business opportunities to generate revenue from debt collection and tracking.

As a result, the Group has policies in place to deal with personnel shortages and the changes that will occur in the organization as a result of increased competition, as well as appropriate remuneration. Training is organized to improve employee knowledge, and employee relations activities have increased in order to maintain a good relationship between the organization and the employees, as well as attracting efficient personnel to stay with the organization.

- Industry Competition Risk

Debt negotiating, tracking, collecting, and expediting services business is a low-investment business with a simple business structure. There is a risk that new entrepreneurs will easily enter the industry to compete, resulting in a highly competitive environment in terms of job titles, price, and service competition. The Company's ability to generate income and profit in the future may be jeopardized.

As a result, the Company places a high value on performance, quality, and service standards, as well as strictly adhering to or following the law in order to maintain the employer's image. The Company believes that if it works with high standards and quality, the risk of not receiving work from the employer should be minimal.

- Risk from Contract Termination due to Dependence on Large Employers and Reliance on Target Group

The Company is a service provider for debt collection, negotiation, and collection for a small number of employers, including financial institutions (leading commercial banks) and general Company Group (Company in the Information and Communication Technology Group), and the contract is renewed from time to time if the company is unable to follow up and collect debt according to the employer's agreement. The Company may face contract terms being changed or the contract being terminated, including the employer not renewing the contract.

However, from the beginning to the present, the Company has shown the work to the employer in order for the employer to assess the competence and quality of the work. As a result, the employer has always trusted the Company, and the Company has attempted to broaden the employer base to include other financial institutions and businesses and expand the scope of service to call center business, for example, to reduce the risk of business group concentration in order to earn money in a different way.

- The Risk of Relying on Top Executives and Personnel with Specific Expertise

From the experience in business operations of the Company's senior management, namely, Mr. Suksan

Yosasin, currently serving as the Chief Executive Officer, and Mrs. Pim Pattamasingna Na Ayudhya as the Managing Director of the Executive Support Division, with experience working in this business for more than 20 years, resulting in both people having a good understanding of the business. The Company relies on knowledge arising from the skills and long experience of personnel who have knowledge and expertise in debt collection and tracking, which may affect the ability of the Company's operations and will result in the operation not meeting the goals.

However, the Company has foreseen the risk of relying on such executives and other personnel with special expertise in the Company. Therefore, the Company has a plan or assigns high-level Company personnel to work interchangeably in accordance with the control of the internal control system such as related duties and responsibilities, confidentiality of information, operating procedures of each segment and approval authority according to the organizational structure. In addition, top executives in such businesses occasionally switch roles to reduce risks and share work experience, and the Company also attaches importance to the creation and retention of the Company's personnel to prevent and reduce the risks that may arise. The Company has set guidelines to improve the quality of the Company's employees by sending them to various training courses in order to enhance their knowledge and abilities, and reduce their dependence on any specific employee, along with encouraging employees to feel part of the Company by providing appropriate care and welfare to employees at each level to build morale in the work. Succession plan is to set guidelines for recruiting successor by requiring the Nomination and Remuneration Committee to be the recruiter to determine the recruitment plan for the succession of the Chief Executive Officer, as well as propose a list of suitable candidates to be considered for succession on a regular basis to the Board of Directors to consider appointing when there are vacancies, for example, when the position of Chief Executive Officer is vacant or the person in the position is unable to perform their duties, the Company requires executives at the level nearby, or the Deputy Chief Executive Officer who is acting in the position until the recruitment and selection of qualified persons according to the criteria specified by the Company in order to propose to the Board of Directors for consideration and approval of the appointment and/or key positions within the Company that will enable the Company to operate and expand its business sustainably as well as defining the necessary characteristics and abilities of key positions. It requires the Company's internal employee recruiting strategy first to build employee loyalty and morale. The personnel department will determine the guidelines for creating successors in accordance with the guidelines set by the Company and will be evaluated for each position every year, such as organizing activities for mutual relations in-house seminars, from the guidelines that the Company continues to operate as mentioned above. As a result, the Company has never encountered a shortage of personnel.

- Risk of Leaking Important Information

In the service of negotiating, tracking, collecting and expediting debt, the employer will provide information or documents to the Company to perform the work as agreed. The employer considers the information or documents that the employer provides as the confidentiality of the employer. The Company may not disclose, duplicate or copy any part of the information without the prior written consent of the employer. Including supervising and controlling the Company's employees from disclosing information to outsiders is strictly prohibited. Therefore, the Company is at risk that information may be leaked from employees who do not comply with the rules or regulations of the Company. The Company may be sued and claim damages if such a case occurs, and may lose the trust of the employer and may result in not being hired in the future.

The Company manages its risks by determining each debtor's right to access information using information technology to manage information in order to prevent or reduce risk. Employees or related persons who do not have

the authority or ability to record information outside the Company. Employees are also not permitted to bring electronic devices to their workstations. In addition, the Company has made arrangements to review the system's access logs and to back up the debtor's data on a regular basis. In addition, the Company has clearly stated the consequences for employees who break or violate the rules.

- **Customer Service Center Business**

- **Industry Competition Risk**

Since the Company's customer service center business requires a low initial investment and a straightforward operational structure. As a result, there is a significant risk of new competitors entering the market. Price competition for market share or industry customers may result as a result of this. However, in this type of business, providing customer information over the phone necessitates a high level of customer credibility because the Company must act as a service provider rather than the customer's company; therefore, if a service error occurs, the customer's reputation is directly impacted. As a result, reputable customers or large customers will select service providers based on strict criteria. Due to the fact that the Company has been in the business of negotiating, and collecting debts for customers for a long time and with good results and has no history of harming the reputation of its customers. As a result, the Company has a relatively low risk of losing customers from the increase of operators or competitors in the call center industry.

- **Risk from Contract Termination due to Dependence on Large Employers and Reliance on Target Group**

The term of a call center business's service contract is usually the same as the length of the employer's contract, and the contract is renewed on a regular basis. If the employer decides not to renew the contract, it will have an immediate impact on the segment's income.

However, the Company has no revenue in the call center segment in 2020, and call center employees have been transferred to work for affiliates under the debt as well. The Company is currently looking for new customers in the information and communication technology industry as well as other industries, such as real estate development, in order to generate additional revenue for the company in another way. The call center's revenue is only about 1 to 2 percent of total revenue (if any).

- **Lending Business**

- **Credit Risk**

The most important step in lending is to consider the customer's credit. If the Company is assessed or uses a weak customer credit review system, it will approve and lend inappropriately. This may put them at risk of becoming NPLs (non-performing loans).

Risk Factors: The Company has developed a method for screening customers that takes into account the following criteria:

1. Income Criteria
2. Net Income Criteria
3. Minimum Working Age
4. The total amount of debt from other financial institutions that have also issued credit under the same license

does not exceed the requirements of the license

and has established a credit facility and system for credit and debt collection comprising experienced personnel and has the expertise to help take care of and take responsibility for credit considerations, especially in order to reduce such risks.

- Industry Competition Risk

Personal loans are a highly competitive industry in which both banks and non-banks compete for customers, and each has offered a significant discount. As a result, the Company's return may be low in comparison to other businesses. However, the Company employs a management strategy that involves marketing to clearly defined target groups in order to reduce competition from other operators and create an efficient debt collection process in order to keep the amount of NPL under control. As a result, the Company believes its profitability is comparable to its current operations.

• Call Center Sales Business

- Industry Competition Risk

Currently, selling cosmetics, food supplements, and beauty products have many competitors in the market, both online and through direct selling. Therefore, the number of competitors is large, and the Company recognized and mitigated the risks by introducing popular products on television channels to make the products it sells stand out. Incorporating business partnerships with product owners will aid in the launch of new products, and the Company has continued to use product expertise to develop outstanding features.

Risk from Management

• The Risk of Relying on Top Executives and Personnel with Specific Expertise

The Company's top executives are well-informed and have a thorough understanding of the industry. The Company must rely on the expertise and long experience of personnel with experience investing in and managing non-performing loans and customer service center services, including negotiation, tracking, and debt collection. As a result, if the Company loses personnel in the area, it may affect the ability of the Company's operations, resulting in the operation failing to meet its objectives.

However, the Company has foreseen the risk of relying on top management and other personnel with special expertise in the Company. Therefore, the Company has a plan or requires that senior executives can work interchangeably in accordance with the control of the internal control system, such as related duties and responsibilities, confidentiality of Information, operating procedures of each segment, and approval authority according to the organizational structure. In addition, top executives in such businesses occasionally switch roles to reduce risks and share work experience. The Company also attaches great importance to development, creating and retaining Company personnel to prevent and mitigate such potential risks. The Company has set guidelines to improve the quality of the company's employees by sending them to various training courses to enhance their employees' knowledge and abilities and reduce their dependence on any specific employee, along with encouraging employees to feel part of the Company through care, and provide appropriate welfare for employees at each level to build morale and morale in the work. Succession Plan to set guidelines for recruiting successors by stipulating that the Nomination and Remuneration Committee is the recruiter, determine the recruitment plan for the succession of the Chief Executive Officer, as well as propose a list of

suitable candidates to be considered for succession on a regular basis to the Board of Directors to consider appointing when there are vacancies, for example, when the position of Chief Executive Officer is vacant or the person in the position is unable to perform the duties. The Company requires executives at the level nearby, or the Deputy Chief Executive Officer is acting in the position until the recruitment and selection of qualified persons according to the criteria specified by the Company, and propose to the Board of Directors to consider and approve the appointment and/or key positions within the Company that will enable the Company to operate and grow sustainably, while defining the necessary characteristics and capabilities of key positions. It uses internal employee recruiting strategies first to build employee loyalty and morale. The personnel department will determine the guidelines for creating successors in accordance with the guidelines set by the Company and will be evaluated for each position every year, such as organizing activities related to in-house seminars. This is the way that the Company continues to operate. As a result, the Company has never faced a shortage of personnel.

• **The Risk of Shortage of Personnel**

There is increasing competition as a result of the current labor situation. In addition, a growing number of entrepreneurs are focusing their efforts on asset management. As a result, the Company may be unable to cope with the volume of work required to negotiate, track, and collect debts assigned by the employer. Due to the Company's inability to recruit staff to track and collect new debt, as well as its inability to keep the same personnel, the Company may lose future business opportunities to generate revenue from operations.

As a result, the Company has guidelines for dealing with the problem of personnel shortages as well as the changes that will occur in the organization as a result of increased competition and appropriate remuneration. Employee training is organized to improve knowledge, and employee relations activities have increased to maintain a good relationship between the organization and its employees while also attracting efficient personnel to stay with the organization on a long-term basis.

Financial Risk

• **Financial Risks Associated with Financial Statements and Financial Projections**

Market risk (including fair value risk of investments arising from estimated storage change in interest rates) is one of the financial risks that the Company faces. Changes in interest rates and price risk cause cash flow risk, as well as credit term risk and liquidity risk. The Company is focused on reducing the negative impact of financial market volatility on the Group's financial performance. The Group is in charge of risk management, which is done in accordance with the Board of Directors' policies. The executives establishes overarching risk management principles and policies to address specific risks such as interest rate risk, credit term risk, and risk management through investment using excess liquidity.

- The Risk That Interest Income from Loans to Non-performing Loans Is Inconsistent with Estimates.

In the event that the Company is unable to follow up debt collection and/or sell collateral from the pile of non-performing loans that have invested in management according to the goals set. It may result in interest income from loans to non-performing loans of the related non-performing loans fund not meeting the projections. Meanwhile, the Company's executives is required to review management estimates in order to estimate the expected cash flows collected from debt collection and/or selling of new collateral by assessing from factors of quality, type and aging

of debts of related non-performing loans in conjunction with statistical databases on all historical debt collections, specifically based on quality, type and aging of debts of related non-performing loans. The accounting impacts in the event that interest income from loans to non-performing loans is not in line with the estimates including impairment. The Company will recognize impairment losses on loans to non-performing loans immediately when there is a factor indicating that future cash inflows from receivables or from sales of collateral are estimated, and (2) the Company will not be able to record a deferred tax assets for future use. The Company will be able to record a deferred tax assets if it is probable that the Company will have enough tax profit to take advantage of the temporary difference amount. However, in 2020, new accounting standards have been announced which may affect accounting entry.

- Interest Rate Risk

Changes in market interest rates may have an impact on the Company. Loans from financial institutions, loans from related parties, and liabilities under hire purchase contracts made up the Company's past interest-bearing debts. The Company borrows at fixed interest rates and primarily uses contract and market rates as reference rates. As a result, if the reference interest rate rises, the Company's borrowing costs may rise.

- Credit Term

The Company does not have a significant concentration of trade terms risk. The Company has an appropriate policy by closely monitoring the payments of account receivables, and giving importance to debtors who are overdue for longer than the due date and to consider setting up an allowance for doubtful accounts for outstanding accounts receivable and expected to be uncollectible. Since the majority of the Company's trade accounts receivable are large businesses such as commercial banks and companies in the information and communication technology group, the Company believes that providing commercial terms poses a low risk, depending on the changing target groups, trade terms may also be increased.

- Liquidity Risk

Each investment or auction for a pile of non-performing loans necessitates a substantial outlay of funds. In terms of funding sources, the Company must be prepared. If the Company wins the auction, the Company will be required to pay the seller in full on the day the non-performing loans are transferred. Having an agreed credit line will provide the Company with adequate funding, demonstrating the Company's prudent management of liquidity risk in the past and present. The cash generated by the Company's operations is sufficient to cover the Company's expenses, changing economic conditions, on the other hand, may make the Company's operating cash flow more volatile, affecting the Company's liquidity risk in the future.

• Financial Risks Related to Business Operations

- Financial Liquidity Risk

The Company has a risk of financial liquidity for the Debt Negotiating, Tracking, Collecting, and Expediting Services Business, and the customer call center business is low since the nature of the business is a service that involves working capital, namely trade accounts receivable. The Company has established trade terms of trade accounts receivable and accounts payable for the calculation of the cash cycle, and consider setting different conditions for each partner, in the best interest of the Company to calculate the cash cycle at least once a year to assess the efficiency of operations. In addition, in the event that the operation does not go according to the normal

situation, the customer does not hire the Company to provide related services, which is quite rare in the event that the Company has the ability to continue operating. The Company will be obligated to pay salaries for employees and executives, including paying office rent and related utilities. The Company's executives predicted that the Company's competitiveness is quite high. As a result, the above events will not occur to the Company in the future.

However, in non-performing asset investment and management, even though the auction of non-performing loans continues to occur, but investing or bidding on non-performing loans will require a large investment. The Company must be ready in terms of funding sources. Since the Company wins the auction, the Company must pay the seller the full amount on the date of receipt of the transfer of the non-performing loans immediately, which is usually not more than 30 days from the date of the winning bid, allocating sufficient funding sources for NPLs prior to each auction. The Company currently receives a consistent monthly cash flow from the management of non-performing loans.

In addition, Chayo Asset Management Company Limited, a subsidiary of Chayo Group Public Company Limited, which operates investment and non-performing asset management does not meet the supervision criteria regarding criteria for classification and provisioning of financial institutions, according to Bank of Thailand Notification No. 5/2016 dated June 13, 2016, effective July 2, 2016 onwards, which requires financial institutions under the definition of such announcements to classify and set aside reserves of financial institutions, resulting in the Chayo Asset Management Company Limited, which is a subsidiary of Chayo Group Public Company Limited, does not have to maintain capital to handle risks in accordance with the criteria of financial institutions as specified by the Bank of Thailand. Chayo Asset Management Company Limited was registered with the Bank of Thailand to operate as an asset management company under the emergency decree on asset management company 1998 (including amendments). This is to prevent financial risks in the event that the Company has already auctioned the pile of non-performing assets. The Company has considered the type of financial instruments "Reserve in case of initial investment in non-performing assets" to prevent liquidity risks from operations such as employee salary, utility bills and payment of other operating expenses, and other expenses of the investment and management of non-performing assets during the beginning of debt collection by setting aside reserve for the such expenses for a period of approximately 6 months from the date. However, after having set aside the reserves for a period of 6 months, companies operating the business of investing and managing non-performing assets can reuse the reserves for working in the business as usual. A company operating in the business of investing and supervising non-performing assets must set aside reserve in case of starting to invest in a new pile of non-performing assets every time, in case of acquiring a new pile of non-performing assets. Additional cash reserves must be considered in the event of acquiring a pile of non-performing assets with a time interval of not more than 6 months. However, the Company has to consider extending the reserve provision to cover a period of 6 months from the date of acquisition. The latest pile of non-performing assets is collectively referred to as "an extension of the provisioning period in case of acquisition of a pile of non-performing assets with a period of not more than 6 months".

Securities Holder Investment Risks

- **Risk from Having a Major Shareholder Holding More Than 33%**

On January 10, 2022, the Company's major shareholder group is the Yasasin family (i.e. Mr. Suksan Yasasin and Mr. Nattawat. Yasasin) holds 361,197,172 shares, representing 36.89% of the total issued and paid-up capital. As a result, the Yasasin family getting a majority of votes of more than one-third in a resolution of the shareholder's meeting to determine decisions, with other shareholders of the Company at risk of collecting votes to counterbalance and examine matters that the shareholders of the Company have and able to hold major shares and propose to the meeting.

However, the Company has a transparent management structure. There is an appropriate balance of power and in accordance with the principles of good governance. The management structure of the Company consists of Board of Directors and 5 sub-committees consisting of Audit Committee, Board of Directors, Risk Management Committee, Nomination and Remuneration Committee, and the Good Corporate Governance Committee. The scope, duties and responsibilities of the various committees are clearly determined. Executives with authority and the supervisor including persons who may have conflicts of interest by stipulating that such persons have no right to vote for approval related transactions as well as having an independent Audit Committee to participate in considering and making decisions. In organizing the management structure as mentioned above has a goal to build confidence for shareholders that the Company has a balanced, transparent and efficient supervising.

• Risk from Having a Major Shareholder with Authority to Determine Management Policy

On January 10, 2022, the Yasasin family is a major shareholder with a combined shareholding of 36.89% of the total issued and paid-up capital, including Mr. Suksan Yasasin and Ms. Pim Pattamasingsh Na Ayudhya holds position of the Company's executive and authorized director. As a result, the aforementioned major shareholder has the authority to manage and have control over most of the votes of important resolutions, both the appointment of directors or requesting resolutions on matters requiring the majority of the shareholder's meeting, except in matters that are indicated by law or the Company's Articles of Association requiring three-fourths of the number of shares attending the meeting and having voting rights, such as an increase in capital, a decrease in capital, and approval of transactions related to rules and regulations of the capital market, such as a transaction acquisition or disposition of assets and connected transactions, etc. Therefore, other shareholders attending the meeting and having the right to vote may not be able to collect votes to reach a different resolution.

However, the Company's management structure consists of Board of Directors and 5 sub-committees such as the Audit Committee, Executive Committee, Risk Management Committee, Nomination and Remuneration Committee and the Good Corporate Governance Committee, with the obligations, duties, responsibilities and clearly defined scope of power. As a result, the Company's work system is standardized and can be inspected without hassle. The Audit Committee consists of 4 independent directors who are knowledgeable and competent. In addition, the Company has hired an internal audit company to review the Company's internal control system and report directly to the Audit Committee. As a result, the Company's work can be reviewed to be more transparent as well as being able to balance the authority in proposing matters that will be brought to the shareholder's meeting at a decent level, and practices in the event that there are connected transactions with directors, executives, major shareholders, executive authority and controlling authority including those who may have conflicts, by stipulating that such person has no voting rights to approve related transactions as well as having an independent Audit Committee to participate in considering and making decisions by organizing the management structure as mentioned above in order to build confidence for shareholders and prove that the Company has a balanced, transparent and efficient management.

Risk of Investing in Foreign Assets

The Company does not invest in foreign securities.

Risk Management Structure

To be consistent with the policy and objectives of the overall risk management of the organization, the Risk Management Committee and the Executive Committee will take care of both strategic risks overall corporate risk and the transaction level of each type of risk. High-level executives and Business Advisory Committee are responsible for

supervising the strategic risk management of the organization and each line of work. High-level executives, including the Head of the Risk Management Unit, adhere to the risk management policies and strategies. Review the adequacy of risk management which is responsible for determining risk management policies to have the same standards of the Company and subsidiaries.

Risk Management Committee has roles and responsibilities in evaluating, reviewing the sufficiency and effectiveness of overall risk management policies and strategies, including an acceptable risk level at least once a year, or on the event of a significant change which must be reported to the Board of Directors regularly.

- **Debenture Risk**

- Credit Risk**

Bondholders are at risk of not receiving interest or principal repayments in the event that the issuer's business and performance do not meet expectations, or the debenture issuer's assets, when converted to cash, are insufficient to repay the debt. Before deciding Investors, the investor should consider their financial position, performance, risks, and debt issuer's ability to repay based on the information stated in the debt securities offering statement and the draft prospectus.

The credit rating is not a recommendation to purchase, sell or hold the offered debentures, and the credit rating is subject to cancellation or change over the period of the debenture. Investors are advised to stay up-to-date on the issuer's news and changes in credit ratings from the website of the Securities and Exchange Commission, related credit rating institutions, or the Thai Bond Market Association.

- Price Risk**

The market price of debentures may change depending on a various factors. For example, interest rate in financial markets, Bank of Thailand policy, overall economic, condition inflation, the maturity of the debentures or the excess demand or shortfall of the debentures, therefore, the bondholders may be affected by the volatility of the debenture prices. In the event that the instrument is traded before its maturity date, the price of debentures with longer maturity is generally more affected by changes in market interest rates.

- Liquidity Risk**

When the bondholders wish to sell the debentures in the secondary market before the maturity of the debentures, the bondholders may not be able to sell their bonds immediately at the price they set since there may not be many trading instruments in the secondary market. The bondholders can trade their debentures on the secondary market with debenture traders or any other juristic person. In addition, the bondholders may not be able to sell the bonds in the secondary market before the bonds are redeemed. Since the debenture issuer has registered the transfer restrictions with the SEC, the transfer of debentures is limited only within the group of institutional investors and/or high net worth investors, in accordance with the meaning in the Notification of the Securities and Exchange Commission Re: Determination of Definitions in Notifications Regarding the Issuance and Offering of All Types of Debt Securities.

- Reinvestment Risk**

Bondholders are at risk of losing the opportunity to earn a high return on their investment in the instruments offered for sale. If the issuer exercises the redemption option when the market interest rate is lower than the instrument's interest rate, redemption of the bonds before maturity may prevent investors from receiving the expected returns. The investors are also exposed to risks from further investments due to changes in interest rates in the money market. As a result, investors will not be able to reinvest the principal and interest received from the redemption of such debt securities within the expected rate of return that was previously received and also affect the change in returns according to that interest rate.

3

Driving Business towards Sustainability

Driving Business towards Sustainability

Sustainability Management Policy and Goal

The Company operates business on the basis of good corporate governance. The Company has the ultimate goal for sustainability. The Board of Directors has determined a corporate sustainability development policy as a guideline for business operations, considering the issues of sustainability in the economy, society, environment and occupational health safety in the business value chain is necessary. All activities of the Company must be operated in the same direction, aiming for results that create value and increase value for all stakeholders, and to maintain consistent and sustainable standards of acceptance and credibility from all stakeholders.

Approaches to Sustainable Development

Throughout the past period of business, the Company adopt an international corporate social responsibility in accordance with international standards, creating value and benefits between the business sector and society in parallel and adopt the philosophy of sufficiency economy through the activities which the Company has continuously organized.

Strategies for Sustainability

1. Emphasize on investing for sustainable impact, the Company's investment will develop the economic and social system along with the Company's growth in order to receive the expected return as well as supporting companies that will invest with the Company to consider sustainable development.
2. Focus on the development of human capital for sustainability. Human resources are the key to create sustainable growth of the organization. Therefore, the Company encourages employees to develop their potential continuously in a variety of areas as well as creating an ecosystem/environment to exchange knowledge and opinions among each other in order to further creativity and development of new innovations.
3. Society and Community Investments: we believe that a strong society and community is the foundation for developing a country for sustainable growth. The Company set goals to strengthen the community and society by promoting knowledge, skills, capacity building and help support the basic needs that are important in order to become a better community.
4. Determine the organization's sustainable development strategy, covering good corporate governance. There is an organization's risk management and plans to handle with risks that may arise in the future, especially plans for dealing with emerging diseases.

5. Determine assessment and response to risks that affect the sustainability of the Company in economic, social, environmental, and governance dimensions, and are considered as important issues in business planning, business and operational decision-making processes to maintain the stability and sustainability of the organization.

Economy

1. The Company has an investment goal to increase yearly, especially the purchase of bad debts, both secured and unsecured. As a result, the overall economy has more liquidity, less bad debt problems which enable assets to be circulating in the economy again.
2. The Company has implemented measures to support the Bank of Thailand and other related measures in order to support financial institutions and debtors with commercial banks that are not affiliated with the state and to be a tool for solving bad debt problems, both secured and unsecured, along with raising awareness of asset and liability management, creating good financial discipline for debtors, preventing and maintaining long-term economic and social stability of the country.

Society and Community

1. The Company recruits employees from interested parties, both from communities that live near the Company's location and from far away, who have a need of jobs to support their families. The Company has always treated our employees with the principles of human rights and compassion, such as fair employment and compensation. There is a training and development system for employees. In the past, the Company has never had any labor disputes with employees.
2. The Company provides support in donating necessary items for consumption to communities, society, government agencies and private sectors whenever the crisis arises, both in the form of disasters and epidemics such as COVID-19, etc.
3. The Company has always supported and promoted to help the poor, children, community and society, such as donating scholarships to children, hosting a merit-making event to support Buddhism in order to carry on Thai cultural traditions, donating to support drinking water, surgical mask, rice, dry food, medicine, as well as repairing other public facilities which has been in continuous practice for years.

Environment

1. The Company is aware of the conservation of energy and the environment, emphasizing on reducing waste and avoid destruction by combustion that causes the pollution of the atmosphere by a cycle maintenance system to extend the life of the engine and a clear travel plan for working out considering the cost-effective use of fuel.
2. The Company chooses electrical appliances with industrial standards, environmentally friendly, and also set the time to turn on and off the electrical appliances in order to reduce global warming problems, conserve energy and the environment, reduce economic waste and make a better living in communities, which is a part of solving the energy shortage problem for Thailand.
3. The Company promotes the reuse of single-sided paper to reduce the use of natural resources and tree cutting, which is the main raw material for paper production, including promoting the use and send and receive documents in electronic form instead.

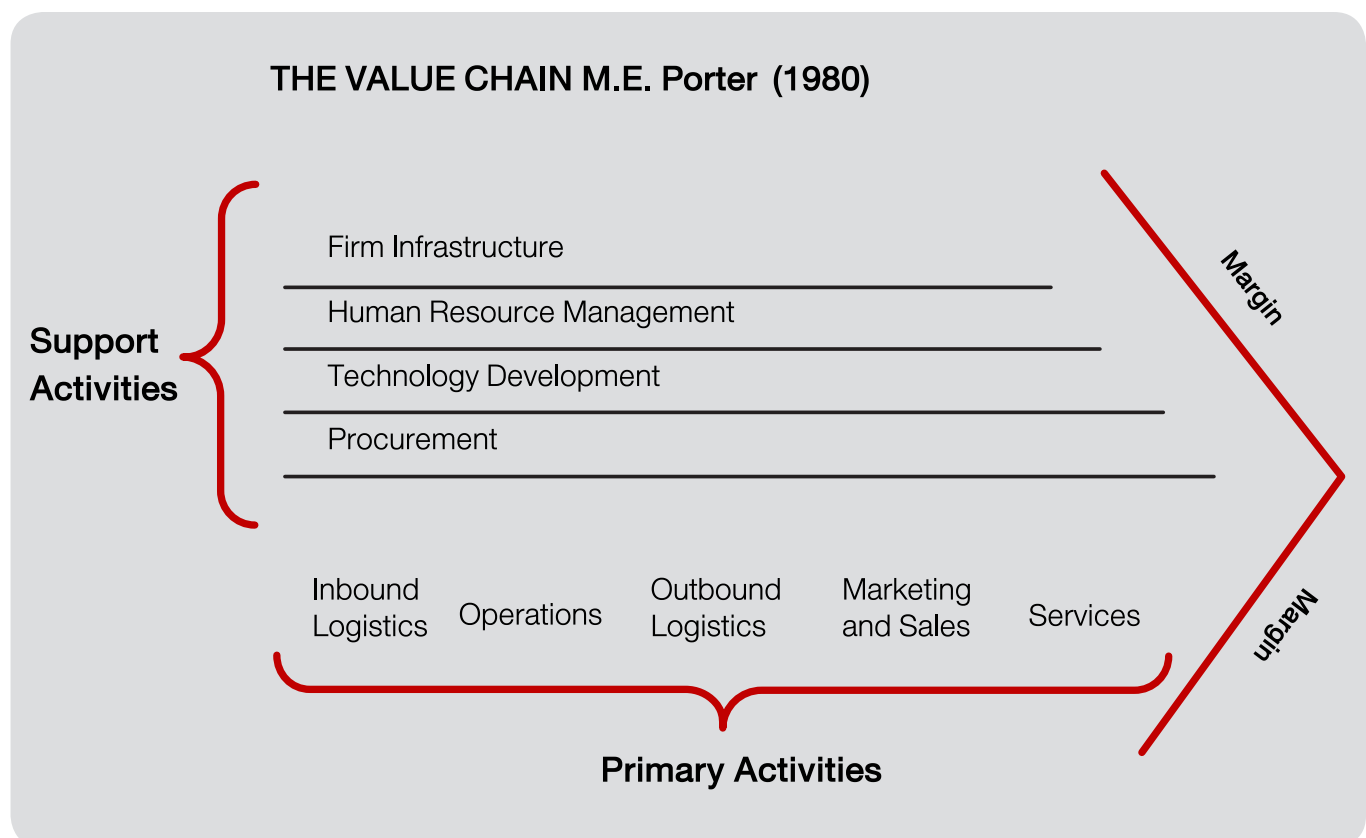
Governance

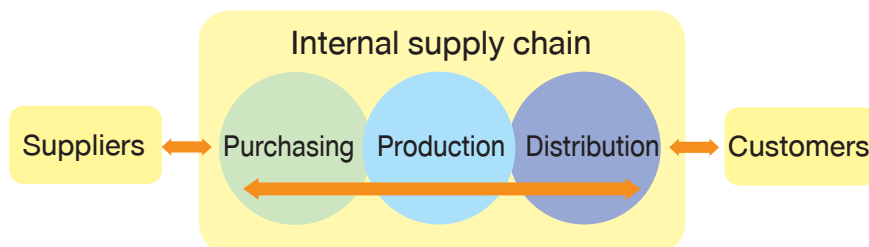
1. The Company has established a good corporate governance policy. The Company's directors, executives, and all employees are required to adopt to the principles of good corporate governance in accordance with good governance. For example, the Company adopts to integrity and transparency in business operations and operations, as well as comply with the laws, rules, regulations, methods and standards indicated by regulatory agencies in accordance with international practice.
2. The Company upholds and abides by the guidelines and practices set out in the Company's code of conduct, including policies announcement, regulations, relate company order, such as good corporate governance, risk management, business continuity management, accounting and financial policy, policy on shareholders, employees, society and environment anti-corruption, occupational safety, occupational hygiene and working environment, etc.

Value Chain

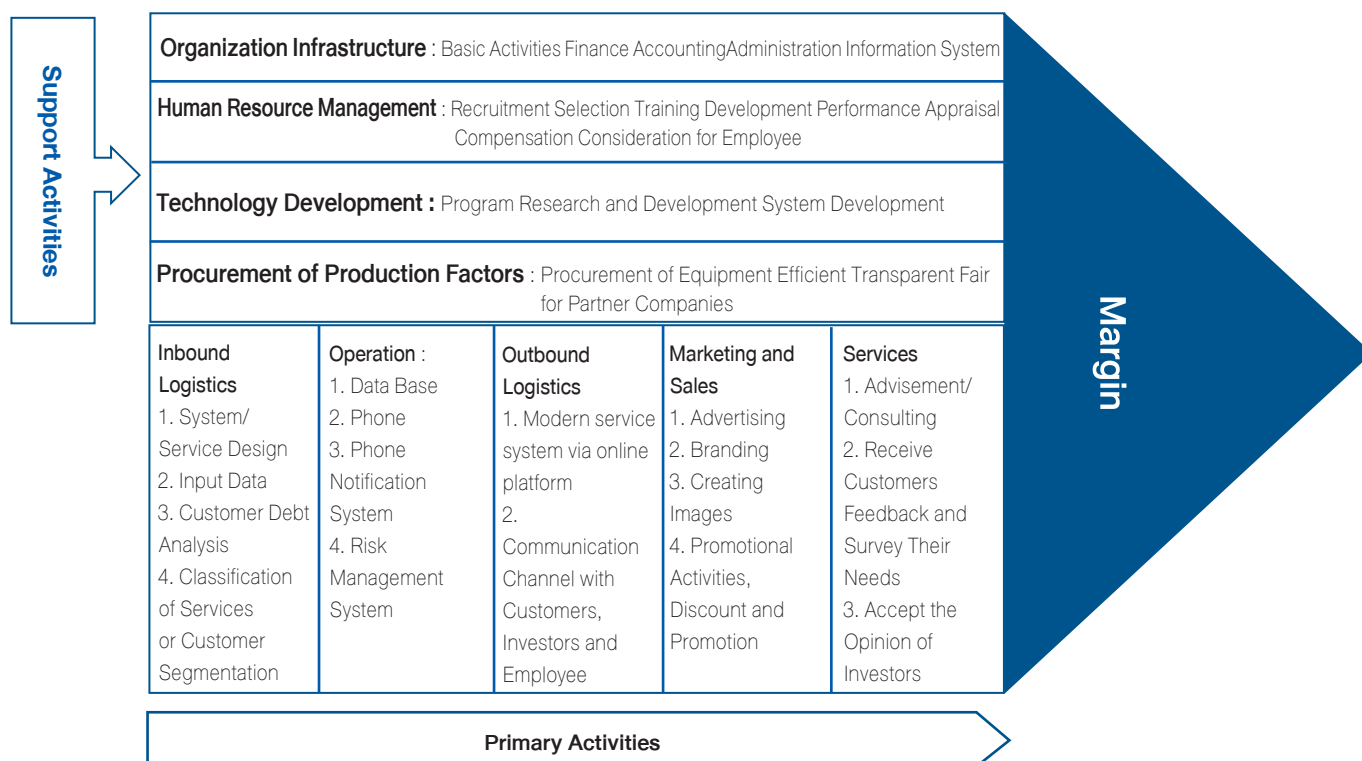
Management of Stakeholder Impact in Business Value Chain

The Company has always given the importance of stakeholders and has recognized that they are part of the Company's with continuous and sustainable growth, the Company has analyzed and assessed the impact on business processes as well as the value chain such as sources of funds service process, pricing, advertising and after-sales service in order to be aware of the expectations of all stakeholders. The business value chain consists of five main activities that are continuously linked. The Company operates its overall business as follows:





Value Chain



1. For the production factors Management , the Company provides capital from shareholder's equity, debentures, warrants issuance and borrowing from Domestic Financial Institutions. The Company has both short-term and long-term borrowings, using real estate and/or debtor registration as business collateral.
2. For the operations, the Company provides customer service in a friendly and straightforward manner, emphasizing negotiations and understanding the needs of customers as the core of service and determining investment and service conditions by calculating fees and interest rates that are not complicated. Customers are easy to understand and can verify the correctness by themselves and are provided with a detailed description of the conditions. Every process is transparent and verifiable.
3. Distribution of the Company's products and services, CHAYO has only one head office, which is located in Bangkok. In addition, the Company adhere to the principle of cooperation with partners in various provinces across the country. The Company creates a supportive ecosystem for all parties to benefit together and emphasis on mutual support. At present, the Company has outsourced employment to provide services to all provinces in the north, the south, the central, the east, the west and the northeast, which can provide comprehensive service and able to support urgent needs in a timely manner.

4. Marketing and sales of the Company with an advertisement branding, creating an image in many medias and channels, both offline and online, such as Line, Facebook, Website, logo promotion and radio show , etc., as well as training that focuses on educating employees to understand the Company's products and services, such as debt collection, debt purchase, and credit approval with attention to the needs of customers, correct understanding, shows manners to respect customers and provides services with accuracy, transparency, and fairness.
5. For after-sales service, the Company contains a system to support many communication channels with customers in order to maintain and build good relationship continuously, such as Line, Facebook, phone calls, letters, questionnaires about satisfaction in using the service channels for complaints, etc., which are intended to improve the service and to get accurate information of customers. The result is to make customers believe, trust, recommend, and invite their acquaintances to use our services continuously in the future.

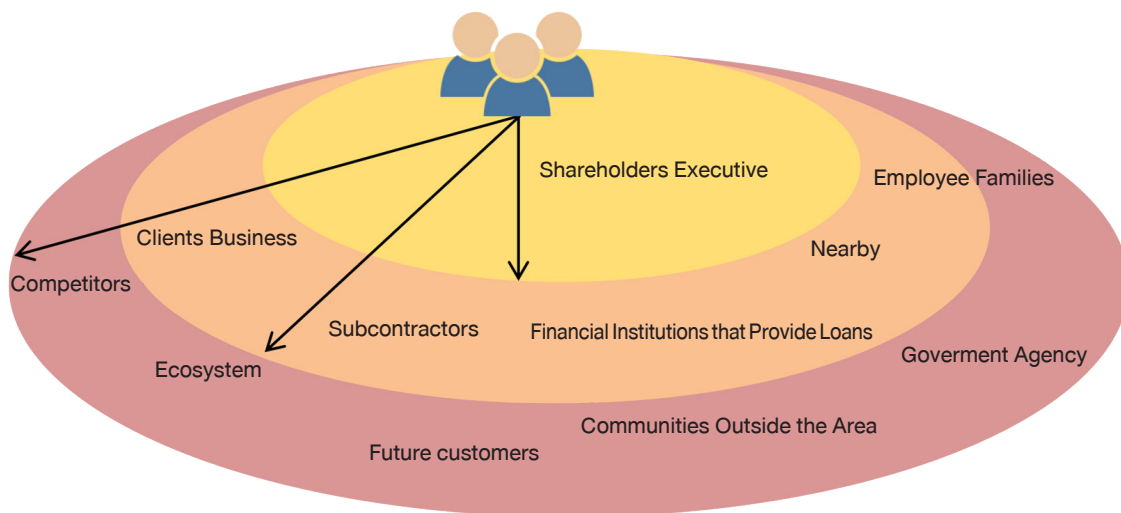
Supporting Activities

1. The Company develops and improves the operating system in order to keep business up to date with technology all the time and to provide customers with fast, accurate, efficient service. The Company develop a data analysis processing system with modern technology, information system for administration, risk management system customer investment, information system, accounting and finance, human resources management, Information system, and communication systems both within the company and outside, etc.
2. Human resources management is the key to drive the organization. The organization focuses on the process of recruiting employees with knowledge, abilities, responsibility, and competitive, as well as motivating compensation management ,regular development training, supporting career advancement opportunities, providing good support and building morale, and aiming to make employees love and bond with the Company and dedicate to create efficient services in order to respond to the needs of customers appropriately.
3. For the technology development for products and services, the Company improves the service by bringing modern technology to support work in order to respond to the needs of the changing in business world, including to study, research and/or find partners to develop and to offer new investment products and services to create new options for customers and investors, as well as to increase the opportunity to generate returns and growth for the Company.
4. For procurement, the Company has criteria for consideration to provide quality equipment and tools that are efficient, reasonable price, guaranteed with transparency, and are committed to seek partners who support anti-corruption, which is the approach that the Company has always adhered to.

Analysis of Stakeholders in the Business Value Chain

Effective business management cannot be achieved by the organization alone. It is related to the value chain. Therefore, the organization considers its involvement with both internal and external stakeholders. Each group has different characteristics, which are important and consistent with the operational strategy that is important to the organization and stakeholders, who will pass on shared values. The Company, therefore, treats stakeholders with fair.

The Company has determined 2 groups of stakeholders, which are persons or entities involved in business operations, divided into internal and external as follows:



1. Internal stakeholders such as shareholders, executives, employees.
2. External stakeholders
 - Nearby society such as customers, partners, subcontractors, financial institutions that provide loans, nearby communities, employee families.
 - Remote societies such as competitors, ecosystems, future customers, community outside the area, future customers, government agency.

Nearby

The Needs or Expectations of the Stakeholders to Receive a Response from the Company

Government Agency

- Shareholders invest money with the expectation of receiving a return on investment.
- Employees dedicate to work and expect compensation and career advancement from the Company.
- Customers who use the service from the Company with an expectation to receive good service.
- Partners, suppliers or distributors are expected to be able to conduct business smoothly together.
- Creditors adhere to fair practices according to conditions, including repayment on time.
- Society or community have an expectation that the Company will always aware of social responsibility and will take into account the environment.
- Competitors expect fair competition.
- Government expects businesses to operate in accordance with government regulations.

The Company is aware of the expectations of stakeholders towards the Company. Therefore, a public hearing was held through the process of various activities such as meetings, etc., in order to acknowledge the impact and connected issues between the Company and stakeholders in both positive and negative with intention to reduce risks and create added value for the business further.

Caring and Building Relationships with Stakeholders

Stakeholders	Participation and Frequency	Interests and Expectations	Response
Shareholders	<ul style="list-style-type: none"> • Provide a worthwhile return for shareholders. • Communicate important information accurately, completely, transparently and verifiable. • Provide channels for comments, exploring core sustainability issues from shareholders perspective. • Provide Company quarterly activity: "Opportunity Day" 	<ul style="list-style-type: none"> • Opportunities and trends of business growth of the Company • Adjust business strategies in line with ESG guidelines as a framework for international business operations. • Annual Report /56-1 • Operating results and future projects 	Corporate Governance Policy
Employees	<ul style="list-style-type: none"> • Activities to build organizational bonds • Assess the satisfaction of employees (Employee Engagement Survey) • Annually 	<ul style="list-style-type: none"> • Determine the organization's strategy to support the rapidly changing of business environment. • Gain experiences in addition to normal work and lifestyle. • Being proud as an employee of the organization. • Working environment, work stability, empathy, participation, and motivation increase work capacity. 	Personnel management and engagement HRD HRM
Customers	<ul style="list-style-type: none"> • Communication via Facebook, YouTube and LINE for both old and new customers. • Customer behavior surveys support the development of new projects by experts. • Online and offline customer satisfaction surveys for further development of the business model. 	<ul style="list-style-type: none"> • Developing service quality with regard to convenience, safety, continuous and sustainable. • The ability to meet customer needs and support customers in need in a timely manner. • Speed of communication, sending and receiving information. 	Innovation in real estate development and services.
Business Partners	<ul style="list-style-type: none"> • Executives meeting and partners/joint ventures by rotation. • Opinion Survey and Partner Meeting Assessment. 	<ul style="list-style-type: none"> • Sustainable investment and co-operation guidelines. • Inter-operation progress report. • In-depth suggestions for improving business cooperation. • Compliance with rules, regulations, regulations, procurement. 	Supply Chain Management
Community	<ul style="list-style-type: none"> • Event organization and participation in other social activities (CSR) • Requesting for cooperation from community representatives, foundation executive in volunteer activities and CSR. • Providing the Company's complaint channel www.chayo555.com or Email: Center@chayo555.com 	<ul style="list-style-type: none"> • Development for the mutual benefit of the community. • Economic, Social and Environmental Impacts in terms of safety and improving the quality of life of the communities surrounding the company's location. 	Responsibility and community development

Stakeholders	Participation and Frequency	Interests and Expectations	Response
Government, Education Sector, Independent Organizations and Other Organizations in Society.	<ul style="list-style-type: none"> • Meetings with government agencies. • Meeting to discuss ways to formulate a cooperation agreement and cooperation sign with the government, education sector, and independent organizations. 	<ul style="list-style-type: none"> • Cooperation for knowledge management sharing of mutually beneficial information. • C ooperation for environmental resource management 	Responsibility and community development
Business Competitor	<ul style="list-style-type: none"> • Niche communication via social media such as Website, Facebook-Fanpage, Line, etc. • Fair competition: not seeking information that is a competitor's secret by dishonest or inappropriate means. The Company will operate under the framework of good competition rules. 	<ul style="list-style-type: none"> • Speed of communication, declaring security news, and laws and regulations related to business operations. 	Corporate Governance Policy
Creditors	<ul style="list-style-type: none"> • Disclosure of operating results through the website www.chayo555.com • Contacting the Treasury Department 	<ul style="list-style-type: none"> • Analysis of the reliability of the Company • Debt repayment potential 	Corporate Governance Policy

4

Management Discussion and Analysis for the year 2021

Management Discussion and Analysis for the year 2021

Chayo Group Public Company Limited would like to report the Operation results for the year ended 31 December 2021 of the company and its subsidiaries (“the Company”) as follows:

Operating results

	Company Only				Consolidated			
	January - December 2020	%	January - December 2021	%	January - December 2020	%	January - December 2021	%
Interest Income from loan to non-performing assets	10,221,442	26.0%	73,089,108	77.6%	417,248,392	87.1%	641,860,929	89.1%
Service income from debt collection services	29,159,355	74.0%	21,136,698	22.4%	51,324,636	10.7%	40,112,269	5.6%
Interest Income from lending business	-	0.0%	-	0.0%	7,547,271	1.6%	13,594,058	1.9%
Revenue from Sales	-	0.0%	-	0.0%	2,997,185	0.6%	24,820,321	3.4%
Total income	39,380,797	100.0%	94,225,806	100.0%	479,117,484	100.0%	720,387,577	100.0%
Costs of render services and managing non-performing assets	(18,578,894)	-47.2%	(21,227,983)	-22.5%	(115,422,724)	-24.1%	(156,209,351)	-21.7%
Costs of goods sold	0	0.0%	0	0.0%	(1,902,148)	-0.4%	(21,166,225)	-2.9%
Gross profit	20,801,903	52.8%	72,997,823	77.5%	361,792,612	75.5%	543,012,001	75.4%
Other incomes	153,927,361	390.9%	226,613,195	240.5%	4,023,887	0.8%	9,424,949	1.3%
Gain on disposal of foreclosed assets	0	0.0%	0	0.0%	37,238,875	7.8%	75,975,797	10.5%
Administrative expenses	(42,332,912)	-107.5%	(48,560,942)	-51.5%	(67,985,166)	-14.2%	(70,050,328)	-9.7%
Expected credit loss	0	0.0%	(39,007,814)	-41.4%	(87,057,664)	-18.2%	(177,800,209)	-24.7%
Finance costs	(49,324,789)	-125.3%	(109,718,965)	-116.4%	(52,701,608)	-11.0%	(112,801,316)	-15.7%
Profit before income tax	83,071,563	210.9%	102,323,297	108.6%	195,310,936	40.8%	267,760,894	37.2%
Income tax (expenses)	(4,117,367)	-10.5%	(3,540,020)	-3.8%	(40,506,107)	-8.5%	(45,718,164)	-6.3%
Net profit for the period	78,954,196	200.5%	98,783,277	104.8%	154,804,829	32.3%	222,042,730	30.8%
Other comprehensive income for the period, net of tax	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total comprehensive income for the period	78,954,196	200.5%	98,783,277	104.8%	154,804,829	32.3%	222,042,730	30.8%
Total comprehensive income attributable to:								
Owners of the parent	78,954,196	200.5%	98,783,277	104.8%	155,353,886	32.4%	218,998,989	30.4%
Non-controlling interest	-	0.0%	-	0.0%	(549,057)	-0.1%	3,043,741	0.4%
Total comprehensive income for the period	78,954,196	200.5%	98,783,277	104.8%	154,804,829	32.3%	222,042,730	30.8%
Earnings per share	0.1017	n/a	0.1084	n/a	0.2002	n/a	0.2403	n/a

- **Total Income**

In the year of 2021, the Company had a total income of Baht 720.39 million which increase from last year around Baht 241.27 million (or increased around 50.36%). The reasons for the increment mainly arose from the increment of interest income from loan to non-performing assets around Baht 224.61 million and income from sales Baht 21.82 million.

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

In the year of 2021, the Company had cash collection from unsecured loan and income from selling collateral of secured loan around Baht 321.69 million which increased from the last year around Baht 102.37 million (or increase around 46.67%). This is because the Company purchased more unsecured port to manage around end of the year 2020.

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	Million Baht	%	Million Baht	%
Interest income - EIR (Effective interest rate)	384.56	59.91%	234.85	56.29%
Interest income over EIR	257.3	40.09%	182.4	43.71%
Total interest income	641.86	100%	417.25	100%
Cash Collection and income from selling collateral	321.69	100%	219.32	100%
- Unsecured loan	240.04	74.62%	161.45	73.61%
- Secured loan	81.65	25.38%	57.87	26.39%

Remark: Since 1 January 2020, the Company has recorded interest income using financial reporting standard No.9 (TFRS9). The concept was that the Company recorded interest income by using an effective interest rate calculated by the interest rate of return of expected future cash flow. In addition, in case that cash collections were more than net book value (NBV), the surplus amount was recorded in interest income over EIR.

- **Services Income from Debt Collection Service**

In the year 2021, the Company had services income around Baht 40.11 million which decreased from the last year around Baht 11.21 million (or decreased around 21.84%). The reasons for the decrement for both periods mainly arose from the impact of the spreading of COVID-19

- **Interest Income from Lending Business**

In the year 2021, the Company recorded interest income from lending business around Baht 13.60 million which increased with the last year around Baht 6.05 million (or increase around 80.10%). This is because in this year the Company expanding lending business more than last year. The Account Receivable from lending business as at 31 December 2021 and 2020 was at Baht 338.60 million and at Baht 60.99 million respectively.

- **Sales income**

In the year 2021, the Company expands business to sell the medical products. As a result the income from sales of the Company increased around Baht 21.82 (or increased around 728.16%).

- **Cost of Goods Sold and Rendering Services**

The main costs of rendering services are salary, commissions, and legal costs. In the year 2021, the Company had the cost of rendering services of Baht 156.21 million around 21.70% which decrease from last year. (the cost of rendering services last year was at 24.10%). The company also had cost of goods sold of Baht 21.17 million. The cost of goods sold represents 2.94% of income (Or equivalent to 85.29 of Income from sales)

- **Gross Profit**

Gross profit margin for the year 2021 and 2020 were almost the same which were around 75.40% - 75.50%. In the year 2021 and 2020 the Company had gross profit of Baht 543.01 million and Baht 361.79 million respectively. Gross profit for the year 2021 increased around Baht 181.22 million. The reasons for the increment mainly arose from the increment of interest income and income from sales.

- **Other Income**

Other income mainly represents interest income and rental income from company's assets (including investment property and foreclosed assets). For the year 2021, the Company had other income around Baht 9.42 million which increased from the year of 2020 around Baht 5.40 million.

- **Gains on disposal of foreclosed assets**

For the year 2021, the Company had gain on disposal of foreclosed assets around to Baht 75.98 million which increased from the last year around Baht 38.74 million. This is because the Company sold foreclosed assets more than last year. (NPA has occurred from buying assets (or collateral of NPL) from the Legal Execution Department through Auction Process back as NPAs).

- **Administrative Expenses**

Administrative expenses mainly represent salary, welfare, bonus for the employee and management, audit fee, and business consultation fee. In the year 2021, the Company had administrative expenses around Baht 70.05 million which increased from the last year amounted to Baht 2.07 million due to transferred fee and specific business tax from selling foreclosed asset in this year.

- **Expected Credit Loss**

This expense occurred from the difference between the present values of future cash flows (PV) and the net book value of each loan. In case that PV was less than NBV, this amount would be recorded as expected credit loss according to financial reporting standard No.9 (TFRS9). The expected credit loss for the year 2021 was around Baht 177.80 million which increased from the last year around Baht 90.74 million. The main reason mainly arose from the increasing of unsecured port around the end of year 2020.. Therefore, the Company had more expected credit loss.

- **Finance Cost**

Finance cost for the year 2021 increased around Baht 60.10 million. The reason for the increment mainly arose from the increment of loans that the Company borrows for expanding the business (including the investment in non-performing assets).

- **Income Tax Expenses**

The income tax expense for the year 2021 was at Baht 45.72 million. The income tax expenses is based on the net profit before tax that increase from last year.

- **Net Profit**

The net profit for the year 2021 was at Baht 222.04 million which increased from the last year around Baht 67.24 million (or increased around 43.43%). The main reasons for the increment mainly arose from the increment of revenue and gain on foreclosed assets..

Financial position

Total Assets

As at 31 December 2021, the Company had total assets of Baht 5,089.88 million which increased from the last year around Baht 2,279.03 million or increased around 81.08%. The reasons for the increment mainly arose from;

- The increment of cash and cash equivalent around Baht 624.00 million from subscription of warrant during the year and received capital increase in subsidiaries from minority shareholder to use for its operation.
- The increment of loan receivable around Baht 277.60 million and,
- The increment of loan for non-performing asset around Baht 1,163.11 million and,
- The increment of foreclosed asset around Baht 144.82 million.
- The increment of Account Receivable and other receivable around Baht 20.80 million.

Total Liabilities

Total liabilities as at 31 December 2021 was Baht 1,631.89 million which decreased from the last year around Baht 32.39 million. The reasons for the decrement mainly arose from;

- The reduction of Bills of Exchange from the repayment around Baht 119.56 million.
- The reduction of loans from related parties from the repayment around Baht 13.00 million
- The increment of debentures around Baht 36.28 million
- The reduction of loan from bank around Baht 19.16 million.
- The increment of deferred tax liabilities around Baht 39.54 million.
- The increment of account payable around Baht 38.97 million as from purchasing the medical products.

Total Shareholders' Equities

Total shareholders' equity as of 31 December 2021 was at Baht 3,457.99 million which increased from the last year around Baht 2,311.42 million. The reasons for the increment mainly arose from

- Share to be issued from exercise warrant (CHAYO-W1 and CHAYO-W2) around Baht 92.42 million and,
- The increment of the net profit from the operation around Baht 222.04 million, and reduction from dividend repayment during year.
- The increment of share capital from exercise warrant (CHAYO-W1) around Baht 1,170.11 million
- The increment of Non-Controlling interest around Baht 854.86 million.

Debt to Equity ratio (Interest bearing)

- The Debt to Equity ratio (Interest bearing) of the Company as at 31 December 2021 was at 0.43.

Sincerely Yours,

(Mr.Nottapol Thipchatchawanwong)
Chief Financial Officer

5

General information and Other Important Information

Company General Information

Company Name	Chayo Group Public Company Limited and Subsidiaries
English Name	Chayo Group Public Company Limited and Its Subsidiaries
Stock Market Abbreviation	CHAYO
Company Registration Number	0107560000214
Established Year	2540
The Year That Become a Public Limited Company	2017
Characteristics of Business	Operating dept negotiations, following-up, and collection and investment and management of assets from auctions/buying/accepting transfers of non-performing assets, both collateralized and unsecured from financial institutions, buy/sell property and customer service center business.
Office Location	44/499-504 Phaholyothin Road, Anusawari Sub-district, Bang Khen District, Bangkok 10220
Telephone	(66) 2004 5555
Fax	(66) 2001 2555
Website	www.chayo555.com
Registered Capital	On 31 December 2021, the Company has registered capital 643,673,646.00 baht consisting of: 1,287,347,292 common shares
Paid-up Capital	On 31 December 2021, has paid-up capital 480,975,133.50 baht consisting of: 961,950,267 common shares
Par Value Per Share	0.50 Baht
Industrial Group	Financial Business
Business Category	Capital and Securities

Reference Person

Securities Registrar

Thailand Securities Depository Company Limited

No. 93, The Stock Exchange of Thailand Building

Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok 10400

Telephone 02-009-9000

Website www.tsd.co.th

Auditors

Mr. Boonlert Kamolchanokkul (Partner)

Certified Public Accountant No. 5339

PricewaterhouseCoopers ABAS Company Limited

179/74-80 Bangkok City Tower

South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120

Telephone 02-844-1000

Website www.pwc.com/th

Internal Auditor

Mr. Wiwat Limnantasit (Partner)

KPS Audit Company Limited

No. 412, Rattana Thibet 18 Road, Bang Kraso Subdistrict, Mueang Nonthaburi District

Nonthaburi 11000

Telephone 081-912-1133

Investor Relations

Mr. Kitti Tungsriwong

Telephone 02-016-4499



Affiliate General Information

Office Location	Company Registration Number	Established Year	Characteristics of Business Operation	Registered Capital (Baht)	Par Value Per Share (Baht)	Paid-up Capital (Baht)	Shareholding Proportion
Chayo Asset Management Company Limited							
44/499-504 Phahonyothin Road, Anusawari Subdistrict, Bang Khen District, Bangkok	0105552046187	2552	Non-performing asset investment and management	200,000,000	5.00	200,000,000	100.00
Chayo Property and Service Company Limited							
44/499-504 Phahonyothin Road, Anusawari Subdistrict, Bang Khen District, Bangkok	0105543062434	2000	Customer service center, dept negotiation, dept following-up and debt collection services, investing and managing non-performing assets which are purchased from other financial institutions and general companies lending business. (with/without Pico collateral).	20,000,000	10.00	20,000,000	100.00
Chayo Capital Company Limited							
44/499-504 Phahonyothin Road, Anusawari Subdistrict, Bang Khen District, Bangkok	0105561158987	2018	Lending business with/without collateral.	250,000,000	10.00	25,000,000	76.00
555 Shopping Company Limited							
44/499-504 Phahonyothin Road, Anusawari Subdistrict, Bang Khen District, Bangkok	0105563079910	2020	Business of purchasing, selling, manufacturing food supplements, cosmetics, beauty supplements, food and beverages.	7,000,000	35.00	200,000	70.00
Chayo JV Company Limited							
55/94 Kamphaeng Phet 6 Road, Ladyao Subdistrict, Chatuchak District, Bangkok	0105563152391	2020	Invest and/or jointly invest in asset management and/or related businesses.	920,000,000	100.00	9,200,000	55.00

Other Important Information which is Useful or may have a Significant Impact on Investors

Decision-Making.

- none -

Legal Disputes

On December 31, 2021, the Company has no legal disputes which may cause damage to the Company more than 5% of the shareholder's equity and not any legal disputes that may have a negative impact on the Company's business operations significantly.



Part

2

Corporate Governance



6

Corporate Governance Policy

6.1 Overview of Corporate Governance Policies and Practices

The Corporate Governance Policy of the Company consists of the operational structure and duties of the Board of Directors and Sub-committees in order for the Company and its subsidiaries to strictly comply with the policy at the level of directors, executives, and employees through 5 Principles of Good Corporate Governance, namely The Rights of Shareholders, Equitable Treatment to Shareholders, The Role of Stakeholders, Disclosure and Transparency, and Responsibilities of the Board of Directors, as well as honesty and ethics in order to ensure that the Company operates with the utmost responsibility, be transparent and treat stakeholders equally. (Further details of the Company's Corporate Governance Policy are at www.chayo555.com)

Throughout 2021, the Company is committed to operating as an expert in asset management to create financial stability for customers and related parties by focusing on solving debt problems for customers, encouraging customers to have financial independence, and promoting the turnover of assets in the market and driving the economy to grow by managing according to the principles of good corporate governance, which includes serving customers responsibly and fairly, disclosing sufficient information, and taking care of customer information. We recognize that business must go hand in hand with being a good citizen of the society and taking care of all stakeholders, including shareholders, employees, customers, partners, creditors, competitors, as well as society and the environment.

In addition to complying with the Good Corporate Governance Principles for Listed Companies 2017 of the the Office of the Securities and Exchange Commission in 2021, the Company has reviewed the Corporate Governance Policy in order to achieve the Company's objectives and goals as well as serve as a guideline for directors, executives, and employees of the Company to comply with relevant laws, rules and regulations, and ethics.

In 2021, the Company has operated the business according to the guidelines prescribed by the Board of Directors, which is in accordance with the Good Corporate Governance Principles for Listed Companies 2017 or the Corporate Governance Code (CG Code) of the Securities and Exchange Commission (SEC), which has been carefully applied to the Company's business context. The details of 8 codes are as follows:

carefully applied to the Company's business context. The details of 8 codes are as follows:

- Code of Conduct No. 1** Establish Clear Leadership Roles and Responsibilities of the Board
- Code of Conduct No. 2** Define Objectives that promote Sustainable Value Creation
- Code of Conduct No. 3** Strengthen Board Effectiveness
- Code of Conduct No. 4** Ensure Effective CEO and People Management
- Code of Conduct No. 5** Nurture Innovation and Responsible Business
- Code of Conduct No. 6** Strengthen Effective Risk Management and Internal Control
- Code of Conduct No. 7** Ensure Disclosure and Financial Integrity
- Code of Conduct No. 8** Ensure Engagement and Communication with Shareholders

Application of the Corporate Governance Code for Listed Companies 2017 (CG Code)

The Company's Corporate Governance Committee has presented a review of the Good Corporate Governance Policy at least once a year. The Board of Directors' meeting No. 1/21, held on 25 February 2021, has reviewed and improved the good corporate governance policy by improving the Company's policies, measures, and operating processes to be more modern and in accordance with the Corporate Governance Code (CG Code) as follows:

1. Improve/add the topic: The Information Disclosure and Transparency
2. Add the topic: Company's Central Policy
3. Add the topic: Ethics and Code of Conduct for Directors and Employees
4. Add the topic: Policy on Reporting on Interests of Directors and Executives

Compliance With Good Corporate Governance Principles on Other Matters

The Good Corporate Governance Principles for Listed Companies 2017 consist of principles and guidelines for corporate governance by the Stock Exchange of Thailand, excluding the principles which are explicitly outlined in the law. There are 5 principles as follows:

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

The details in each of the principles is divided into 2 parts: (1) necessary principles of corporate governance that listed companies should follow; and (2) good practices, which consist of additional details or procedures to ensure listed companies can comply with the principles in the first part.

Principle 1: Rights of Shareholders and Principle 2: Equitable Treatment of Shareholders

All shareholders are owners of the business and possess various fundamental rights equally as they ought to, including the right to buy, sell, and transfer shares or profit share/dividend according to shareholding ratio, the right to obtain appropriate, sufficient, and timely information through an easily accessible channel for use in decision making that affects the Company and themselves, the right to elect and remove directors, approve the appointment of the

auditor, and the right to attend the shareholders' meeting to exercise the right to vote.

The Company has a duty to supervise the treatment of all shareholders, including minor and institutional shareholders, fairly and equitably, as well as protects the rights of shareholders as follows:

1. Prioritize the exercise of shareholders' rights.
2. Be careful not to take any action that infringes or deprives the shareholders' rights.
3. Support and provide opportunities for shareholders to study the Company's information equally.
4. Establish measures to prevent the use of inside information for personal gains or other people's misuse.
5. Provide channels for all shareholders to exercise their right to report any issues which affect their interests as shareholders to the Board of Directors.
6. Support the exercise of the right to attend shareholders' meetings. At every shareholders' meeting, the Company has additional duties as follows:
 - (1) Inform shareholders in advance about the rules and procedures for attending the shareholders' meeting and voting process.
 - (2) Provide necessary and sufficient information on each agenda for the shareholders' decision-making in advance and in a timely manner, as well as publish such information on the Company's website prior to the submission of documents to provide shareholders the opportunity to have time to review the supporting information in advance before receiving the documents from the Company.
 - (3) Create a registration system that provide convenience to the shareholders.
 - (4) Promote and provide convenience as appropriate to all shareholders.
 - (5) Provide a proxy form on which shareholders can determine the direction of their vote.
 - (6) Nominate at least 2 Independent Directors as alternatives for shareholders to appoint as proxies. For the 2021 Annual General Meeting of Shareholders, the Company has nominated 2 Independent Directors with their backgrounds for the shareholders to consider appointing as proxies.
 - (7) Establish clear rules for the minority shareholders to be able to propose agendas, nominate a person to be elected as a Company Director, and send questions regarding the Company that are needed to be answered at the meeting in advance. For the Annual General Meeting of Shareholders 2021, the Company provides the opportunity for the minority shareholders to propose additional agendas for the Annual General Meeting of Shareholders and nominate a person to be considered for election as a Director in advance from 2 November 2020 to 31 December 2020. The Company has published such information on the Company's website to inform the shareholders regarding their rights and methods of proposing additional agendas in advance, as well as the deadline for additional agenda proposals. The Company disseminates such information through the news system of the Stock Exchange of Thailand.
 - (8) Provide shareholders the opportunity to express their opinions, give feedback, and ask questions at the meeting.
 - (9) Encourage the use of ballots for important agendas.
 - (10) Encourage all directors and the Chairman of Sub-committees to allocate time to attend every shareholders' meeting.
7. The Board of Directors and senior executives shall disclose any transactions in which they have a direct interest in or influence over the Company, whether directly, indirectly, or via a third party.

For the Annual General Meeting of Shareholders 2021, the Company has informed the meeting agenda and disclosed the meeting documents in both Thai and English to investors in general through the information disclosure channel of the Stock Exchange of Thailand and on the Company's website since 5 April 2021, as well as sending the invitation letter together with the meeting documents to the shareholders on 5 April 2021, which is 21 days prior to the meeting date, which is in accordance with the rules of good corporate governance.

As for the results of the 2021 shareholders' meeting, the Company immediately informed the shareholders' resolutions through the information disclosure channel of the Stock Exchange of Thailand within the meeting date and prepared minutes of the meeting with complete significance details, including the clarifications, questions, and opinions as well as all resolutions of the meeting which were classified as "approve", "disapprove", and abstained votes. The Company has published the report on its website and submitted it to the Stock Exchange of Thailand within 14 days from the date of the shareholders' meeting on 10 May 2021, which is in accordance with the principles of good corporate governance.

In terms of measures to prevent conflicts of interest, the Company has established guidelines for employees to perform their duties with honesty in accordance with the law, rules, and regulations and not to pay attention to the personal gains above responsibility towards the Company, as well as refrain from using inside information for personal use. The Company requires the directors, the Chief Executive Officer, or the first 4 executive position holders holding positions after the top management downward, to report their holdings in the Company's securities that are held by themselves and their related parties when taking the position and to report the change in securities holdings within 3 business days from the date of the change. Such executives and inside information holders shall refrain from trading securities within 1 month before the announcement of news releases and the disclosure of quarterly and annual financial statements and within 24 hours after the disclosure of each quarter's financial statements.

Since the Company places great emphasis on an efficient management system under the framework of good corporate governance, the Company has no policy to support connected transactions with persons who may have conflicts of interest. The Audit Committee will consider any connected transactions and/or other items that may cause conflicts of interest carefully and report to the Board for further consideration. The Company will consider connected transactions with the same criteria as normal business transactions with third parties. However, any special stakeholders will not have the right to vote on approving such transactions.

Principle 3 : Roles of Stakeholders

The Company places great emphasis on the rights of all groups of stakeholders, whether internal parties, such as shareholders, executives, and employees of the Company, or external parties, such as creditors, customers, business partners, competitors, government sectors, society, communities, etc. The Company realizes that the support and opinions from all groups of stakeholders are beneficial to the operation and business development. Therefore, the Company will comply with relevant laws and regulations in order for the rights of such stakeholders to be well taken care of, according to the following guidelines:

1. Shareholder

The Company has a policy to continuously conduct business with honesty, morality, and ethics and strives to develop the business to grow with good performance, and generate appropriate returns for the investment of shareholders and investors on a sustainable basis. The Company adheres to the principles of equal and fair treatment of shareholders by requiring directors, executives, and employees to perform their duties with honesty as well as the decisions to take any actions with transparency, caution, and prudence. The Company will present a report on the

status of the Company, operating results, financial information, accounting, and other reports regularly, completely, and truthfully by informing all shareholders about the positive and negative future trends based on the possibility along with supporting and reasonable information. Such directors, executives, and employees shall not seek benefits for themselves and others by using the Company's information that has not yet been disclosed to the public or taking any actions in a manner that may cause a conflict of interest with the organization.

2. Clients

The Company recognizes the importance of quality and client satisfaction. Therefore, the Company has established a policy to impress customers with fast service and emphasize the quality of products and/or services, as well as maintain the image or reputation of clients by working with the clients to find solutions together and continuously improving personnel and quality of service.

3. Partners and/or Creditors

The Company has established the policy to build good business relationships with business partners and/or creditors by doing business based on fair support for both parties and equal treatment of partners and/or creditors by considering the best interests of the Company, avoiding conflicts of interest, and strictly abiding by the contract. The Company will not take any fraudulent actions in trading with partners and/or creditors. In the event that any dishonest actions occur, the details of such actions shall be disclosed to partners and/or creditors to find a solution together quickly and fairly. If any failure to comply with such solutions occurs, the Company shall immediately notify partners and/or creditors to know and find a new solution.

4. Competitor

The Company has the policy to treat competitors on the basis of fair competition. The Company will not seek confidential information from competitors by any dishonest or inappropriate means and will follow the rules of good competition. The Company will not damage the competitor's reputation by making false accusations, infringing on secrets, or acquiring trade secrets from competitors by fraudulent means.

5. Employees

The Company values its employees as an important resource, which helps promote and drive the organization to achieve its goals. Therefore, the Company has a policy to take care of employees to give the employees a better quality of life, fair employment, appropriate welfare, opportunities for career advancement, a safe and hygienic working conditions, the law and regulations strict adherence. There is also an environment that provide safety to the lives and properties of the employees, treat the employees with courtesy, respects the dignity and individuality, offer remuneration and rewards, appoints, relocates, and punishes employees with fairness by considering knowledge/abilities as a criteria, focuses on promoting opportunities for advancement thoroughly, and avoids injustice, which may affect the job security of employees, threaten employees, or create pressure on the mental state of employees. The employees have the right to file complaints in cases of unfairness under the established system and process. The Company shall accept the opinions or suggestions from employees at all levels equally.

6. Public Sector

The Company operates business in order to enhance and develop the progress of the country by adhering to the law, rules, and regulations according to the general business traditions.

7. Community, Society, and Environment

The Company operates its business with a responsibility to communities and society by emphasizing proper compliance with various standards related to safety, security, sanitation, and the environment, as well as considering the impact on natural resources and the environment by continually raising awareness of social and environmental responsibility among employees at all levels, spending some parts of the profits on activities that contribute to the creation of society, the environment, and the quality of life of the people, acting, cooperating, and supervising to strictly comply with the spirit of laws and regulations issued by regulators, and prioritizing community and social activities by focusing on society, community, and environmental development, including the creation and conservation of natural resources.

In addition, to provide convenience to the stakeholders, the Company has a policy on receiving complaints by providing various communication channels for receiving complaints and clear procedures for dealing with complaints from clients, employees, and other stakeholders in order to maintain rights and protect the privacy of complainants. The complainants will be protected, and their personal information will be kept confidential.

Policy on Reporting Ethical Issues and Receiving Complaints

The Company provides channels for stakeholders to report evidence, complaints, or irregularities in their operations or any misconduct, including actions that do not comply with the business ethics of the organization, which can be reported to the Company's head office at 44/499-504 Phahonyothin Road, Anusawari Sub-district, Bang Khen District, Bangkok 10220

For employees, the Company has established channels for receiving complaints that employees wish to make or notifying evidence in cases where irregular transactions that may constitute misconduct are found. The information will be sent to the Executive Committee, Audit Committee, and/or the Board of Directors and kept confidential. Complaints can be reported through the following channels:

1. Direct supervisors
2. Human Resources Department Telephone: 02-004-5565, 086-819-3333
3. Fill in the information on the Company's website www.chayo555.com or Email: Center@chayo555.com

The Company has the policy to protect the rights of whistleblowers, determine the confidentiality of the complainant's information, and disclose it only if necessary by considering the safety and damage of the complainant. In 2021, the Company did not find any complaints about illegal actions, corruption, or significant business ethics.

Principle 4 : 4. Information Disclosure and Transparency

The Company places great emphasis on the disclosure of information related to the Company, both financial and non-financial information. The important principles of the disclosure of information are as follows:

1. Information disclosed to shareholders, investors, and the general public shall be accurate, complete, transparent, timely, and in accordance with relevant laws and regulations of the government, including financial information, annual reports, annual/quarterly financial statements, and other information.
2. Channels for the disclosure of information shall be easily accessed by shareholders, investors, and the general public for equality in acknowledging the Company's information.
3. Important information about the Company shall be kept up-to-date, and the effectiveness of the disclosure process shall be regularly evaluated.
4. A work unit shall be formulated to take responsibility for the disclosure of information and transparency, as well as receiving requests, coordinating to provide information, and creating a good relationship between the Company and its shareholders, investors, analysts, and other relevant departments by establishing an information reporting unit within the organization to notify the Company's news.

In 2021, high-level executives participated in various investor relations activities, which can be summarized as follows:

- 1) Participate in analyst meetings to clarify quarterly financial results
- 2) Participate in activities, namely “Opportunity Day” organized by the Stock Exchange of Thailand for 4 times.
- 3) Participate in Company visits and conference calls with investors and analysts.
- 4) Participate in the investor conference for both financial institutions and various securities companies.

Interested persons can contact the Investor Relations Department at

Address : Investor Relations Department, No. 44/499-504 Phahonyothin Road, Anusawari Sub-district, Bang Khen District, Bangkok 10220

Telephone Number : 02-016-4499

Fax : 02-001-2555

Email : kitti@chayo555.com

Website : www.chayo555.com

- 5) Information will be disclosed in both Thai and English formats through easily accessible channels such as websites, press releases, quarterly analyst meetings, investors’ meetings, and information distribution channels of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- 6) The Company will report the voting results of the shareholders’ meeting resolutions on the Company’s website within the next business day after the meeting.

Principle 5 : Roles and Responsibility of the Board of Directors

1. Board of Directors

The Board of Directors consists of qualified persons with various experiences in various fields, and the number of Directors is sufficient to supervise the business of the Company. The total number of Directors is not less than 5 persons according to the law and not more than 12 persons with at least one person having experience in accounting and finance fields. The components and qualifications are as follows:

- (1) The Board of Directors consists of at least one-third of the Independent Directors and has at least 3 persons.
- (2) All Company Directors, including Independent Directors, shall possess qualifications in accordance with the requirements of relevant laws, regulations of the governing body of the Company, articles of association of the Company on directors, and the principles of good corporate governance. Such directors shall possess skills, experience, and specific abilities that are beneficial to the Company and pass the nomination process of the Nomination and Remuneration Committee.

However, the appointment of directors shall be in accordance with the Company’s articles of association and the requirements of relevant laws. It shall be transparent and clear. As for the directors, the selection will be carried out through the process of the Nomination Committee. The educational background and professional experience details of that person shall be sufficient for the Board of Directors and shareholders’ decision-making. The director’s term of office is determined on the Company’s articles of association. The directors who retired from the position due to the expiration of their term of office may be re-elected to hold the position again.

In order for the directors to be able to devote enough time to supervise the Company’s business and perform their duties effectively, the Company determines that each director shall 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 listed companies without exception, unless there is a reasonable cause to be considered for an exemption, which shall be proposed

to the Board of Directors for consideration and approval under the corporate governance policy.

In addition, the Company has the policy to specify the term of office of Independent Directors not to be more than 9 years from the date of their first appointment as Independent Directors. The Board shall reasonably consider such necessity in the event of a need to appoint such an Independent Director to continue to hold the position.

In addition, the Board of Directors has clearly separated the roles and responsibilities of the Board of Directors from the Executive Committee to balance the powers and prevent a situation where a single person has an absolute decision-making power, for example, the chairman of the board and the chief executive shall not be the same person, and their roles and duties shall be clearly separated.

Charter or Duties and Responsibilities of the Board of Directors

- (1) Manage and operate the Company's business in accordance with the law, objectives, and articles of association of the Company as well as the resolutions of the Board of Directors and shareholders' meetings with honesty and care to preserve the Company's interests. Be responsible and ethical by considering the equal benefits of all shareholders.
- (2) Possess the authority to appoint a certain number of directors and/or executives of the Company to be the management to perform one or more tasks in order to fulfill the tasks assigned by the Board of Directors, as well as the authority to appoint the Chief Executive Officer, authorize any other person to perform any action on behalf of the Board which is under the control of the Board, and revoke, amend, or change such authority as appropriate.
- (3) Consider appointing other Sub-committees such as the Nomination and Remuneration Committee, Risk Management Committee, Executive Committee, etc.. This includes the authority to appoint the Chairman of each Sub-committee to support the Board's responsibilities as deems appropriate and necessary. The operations of the Sub-committees shall be regularly monitored.
- (4) Establish goals, guidelines, policies, action plans, and the Company's budget, as well as supervise the administration and management of the management, sub-committees, or of any other person assigned to carry out such works in accordance with the policy provided by the Board.
- (5) Consider, review, and approve policies, directions, strategies, business plans, and large investment projects of the Company proposed by the management and arrange for the review and improvement of the important policies and plans to be up-to-date and consistent with the Company's business conditions.
- (6) Continuously follow up on operating results in accordance with the plans and budgets.
- (7) Consider and approve investments for business expansion as well as make an investment with other businesses or companies
- (8) Determine policies, directions, and strategies to supervise the management of subsidiaries and/or affiliated companies.
- (9) Determine the Company's regulations.
- (10) Consider and approve other businesses which are important to the Company or which is deemed appropriate to do so for the benefit of the Company, unless these the following actions can be done only upon prior approval from the shareholders' meeting. In the event of any operations performed by the director, a person who is authorized by the director, or a person who may have a conflict of interest, (per the notification by the Securities and Exchange Commission and/or the Stock Exchange of Thailand) stake, and any other conflict of interest with the Company and/or its subsidiaries and/or related companies, that director or a person authorized by a director shall have no authority to approve such transactions.
 1. Any issues that the law requires to be a resolution of the shareholders' meetings.

2. Any issues which the directors have an interest in and are within the scope of the law or the requirements of the stock exchange specifying that they shall be approved by the shareholders' meetings, for example, the operations related to connected transactions, acquisition or disposition of important assets of the Company according to the rules of the Stock Exchange of Thailand or the Securities and Exchange Commission.

The following issues shall be approved by the Board of Directors with a majority vote of the directors who attend the meeting and by the shareholders' meeting with a vote of not less than 3 out of 4 of the total votes of the shareholders who attend the meeting and have the right to vote.

1. Sale or transfer of all or substantial parts of the Company's business.
2. Purchase or acceptance of business transfer of other companies or private companies to be in the possession of the Company.
3. Make, amend, or terminate the contracts related to the lease of all or substantial parts of the Company's business, assign other persons to manage the business of the Company, or merge other persons' businesses for the purpose of profit-and-loss-sharing.
4. Amendments to the memorandum of association or the Articles of Association.
5. Capital increase, capital reduction, and issuance of debentures.
6. Merger or dissolution of Company.
7. Any other acts prescribed under the provisions of the law on securities and/or prescribed by the Stock Exchange that shall be approved by the Board of Directors' meeting and the shareholders' meeting with the above-mentioned votes.

For any matter on which a director has a stake or a conflict of interest with the Company or a subsidiary, a director who has such stake or conflicts of interest shall have no right to vote on that matter.

- (11) Possess the authority and duty to provide reports on general and financial information accurately, timely and in accordance with the law to the shareholders, stakeholders, or general investors. The Board of Directors possess the authority and duty to be acknowledged of the important audit reports of the Audit Committee or the internal audit department, as well as the auditors and consultants in each departments of the Company and determine guidelines for improvement in cases where significant flaws are found.
- (12) Independent Directors and Non-Executive Directors are ready to use their discretion independently in determining strategies, management, resource utilization, the appointment of directors, and determination of standards for business operations and the objection to the actions of other directors or the management in case of the differences of opinions that affect the equality of all shareholders.
- (13) Appoint a company secretary in accordance with the Securities and Exchange Act to provide advice on laws and regulations that the Board of Directors shall be acknowledged, as well as the management of meeting documents. of the Board of Directors, important documents and activities of the Board of Directors, including coordinate on the implementation of the Board of Directors' resolutions.
- (14) Provide accurate, complete, transparent, reliable, timely and equitable disclosure of information to shareholders and all groups of stakeholders.
- (15) Provide a reliable accounting system, financial reporting, and auditing, including supervising that there is a process to assess the suitability of internal control and internal audit that are efficient and effective.
- (16) Provide an appropriate and efficient risk management process, which is able to assess, monitor and manage key risks

- (17) Arrange to operate in accordance with the principles of good corporate governance and business ethics as a guideline for directors and employees and encourage communication with the personnel within the Company for acknowledgment and strict adherence.
- (18) Provide a clear and transparent process for conducting connected transactions.
- (19) Provide a clear process for reporting of the Audit Committee to the Board of Directors when they find or have query about the transactions or actions that may have a significant impact on the financial position and operating results of the Company. The Board of Directors shall take corrective action within the timeframe that the Audit Committee deems appropriate.
- (20) Arrange for a review and amendment of the Board of Directors' charter to be in accordance with each circumstances.
- (21) Report the Company's holdings of one's, spouse and minor children at the Board of Directors' meeting on a monthly basis and shall notify the Company without any delay in the following cases:
 Oneself or related person having interests related to the management of the Company or its subsidiaries.
 Oneself or related person holding shares of the Company or subsidiary.
- (22) Maintain the inside information of the Company that has been acknowledged from the operating process through the performance of duties and not used for the benefit of oneself or others, including refraining from trading in securities within 1 month before the announcement of the news and disclosure of the quarterly and annual financial statements and within 24 hours after the disclosure of such financial statements.
- (23) The Board may seek a professional opinion on business operations by employing the external consultant which the Company is responsible for all expenses.
- (24) Perform any other duties related to the Company's business as assigned by the shareholders.

In 2021, the Board of Directors reviewed and approved the vision, mission, goals, organizational structure, and the direction of the Company's business, including reviewing important policies to be appropriate and consistent with the business operations according to the principles of good corporate governance, as well as monitoring and supervising the implementation of the Company's strategy. At the Board of Directors' meeting held quarterly, the Board of Directors has monitored the performance of the management with a report on the operating results and the business profit of the Company, especially in terms of financial goals and plans to be in accordance the determined Company's strategy.

Board of Directors' Meeting

- (1) The Board of Directors has determined that the meetings shall be held at least once every 3 months by setting the meeting date in advance throughout the year, and there shall be additional meetings on special agendas when necessary.
- (2) In organizing the board meeting, the Chairman of the Board, Chief Executive Officer or the Managing Director shall be the administrator to approve the meeting invitation, including setting the meeting agenda. The secretary of the Board of Directors is responsible for delivering the meeting invitation letter together with the meeting agenda and meeting documents to the directors at least 7 days in advance so that the directors have time to review in advance.
- (3) The chairman of the board acts as the chairman of the meeting, has the duty to administrate and allocate enough time for each agenda, and is responsible for conducting meetings for the directors to discuss and express opinions independently on important issues, taking into account the interests of the shareholders and stakeholders fairly, as well as having the relevant management to present information for discussion on important issues.

- (4) The secretary of the Board of Directors is responsible for taking notes and preparing minutes of meetings within 14 days, keeping meeting documents, providing support and following-up so that the Board can perform its duties in accordance with the law and Articles of Association and Resolutions of the Shareholders' Meeting, including coordinating with those involved.
- (5) The Company has scheduled meetings for non-executive directors to have the opportunity to meet among themselves as necessary to discuss various issues without the management team involved.
- (6) At the Board's meeting, there shall be a minimum quorum at the time the Board votes, and there shall be no less than 2 out of 3 of the total number of directors.

Director's Remuneration

The Company has a policy to determine the remuneration of directors and executives at a level that can motivate and retain qualified directors. The remuneration will be at a level that is comparable to that of the same business group and linked to the Company's performance by presenting it to the Board of Directors and/or the Company's shareholders' meeting to consider and approve.

In this regard, the remuneration of the top management is appropriate with respect to the duties and responsibilities in accordance with the rules and policies set by the Board of Directors for the best benefit of the Company. The level of compensation for salary, salary increases, bonuses, and rewards shall be consistent with the performance of the Company and the performance of each executive.

Directorship in Other Company

To enable Directors to devote their time to effective governance of the Company and to ensure that Directors devote enough time to perform their duties. The Company stipulates that each Directors should not hold a directorship in more than 5 listed companies, and the Chief Executive Officer may hold a directorship in no more than 2 listed companies without exception, unless there is a reasonable cause to be considered for exemption. It is proposed to the Board of Directors for consideration and approval under the corporate governance policy.

The Company has a policy to determine the term of office of independent Directors, which is not to exceed 9 years from the date of their first appointment as independent Directors. In case of necessity to appoint such independent Director to hold office The Board shall reasonably consider such necessity.

The Development of Committee and Board of Director

The Company has the policy to encourage directors to continually develop their knowledge and facilitate training for those involved in the Company's corporate governance system, such as the Company's Directors, Audit Committee, Executive Directors, Executives, Company Secretaries, etc., in order to continually improve performance. Training may be conducted within the company or by using the services of external institutions. This will enable them to gain knowledge in performing their duties as a director and good corporate governance and create a network of directors for exchanging knowledge, etc.

However, every time a new director is appointed, the company secretary will arrange an orientation for new directors by providing information and introducing guidelines of the Company's business operations related to the performance of the new Director's duties.

Succession Plan

The Company has designated successors for all important positions to keep the business going. The Board of Directors assigns the Nomination and Remuneration Committee to be the nominator, determine the recruitment plan for the succession of the Chief Executive Officer position, review the plan periodically for appropriateness, and

propose a list of suitable candidates to be considered for succession on a regular basis to the Board of Directors for consideration and appointment when there are vacancies as follows:

- **Chief Executive Officer**

When the position of Chief Executive Officer is vacant or the person in the position is unable to perform the duties, the Company will assign executives at a similar level or a deputy acting in the position until the recruitment and selection of qualified persons according to the criteria set by the Company is completed.

- **Executive Level**

When the position of Managing Director is vacant or the person in the position is unable to perform the duties, the Company will nominate the selected successors by considering the assessment of potential and performance to propose to the Executive Committee for consideration and approval of the appointment.

2. Sub-committees

To achieve the highest goals of corporate governance and maintain a high standard of operation, the Board has appointed Sub-committees to help alleviate the burden of the committee in reviewing or considering important matters such as the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee, and the Executive Committee. The Board of Directors has defined roles and separated the scope, powers, duties, and responsibilities among the Sub-committees as follows:

2.1 Audit Committee

Nomination of the Audit Committee

The Audit Committee is part of the Board of Directors. It is appointed by the Board of Directors of 3 persons and 1 person who is knowledgeable in accounting and financial fields, namely, Mr. Chanon Chotevijit (*), as the Chairman of the Audit Committee, Air Chief Marshal Arnon Jarayapant and Mr. Teeranut Thangsatapornpong as the audit committee. The Audit Committee is an Independent Director, whose qualifications are related to independence according to the announcement of the Office of the Securities and Exchange Commission. The Audit Committee has the powers and duties specified in the Audit Committee Charter.

** In this regard, Mr. Chanon Chotevijit resigned from the position of the Director of the Company on 24 December 2021. The Board of Directors Meeting No. 8/2021, held on 27 December 2021, resolved to appoint Air Chief Marshal Arnon Jarayapant to be the Chairman of the Audit Committee and appointed Mrs. Rosporn Sooksomporn to be an Independent Director and member of the Audit Committee.*

Charter or Duties and Responsibilities of the Audit Committee

- (1) Review the Company's financial reporting process to ensure that it is accurate and adequately disclosed by coordinating with external auditors and management responsible for preparing both quarterly and annual financial reports. This includes to consider financial statements and financial reports that are relevant to accounting principles, accounting practices, compliance with accounting standards, the existence of the entity, and major accounting policy changes, including the reasons of the management regarding the determination of accounting policies before presenting them to the Board of Directors for dissemination to shareholders and general investors.
- (2) Establish guidelines and review the Company to have an internal control system and an internal audit system that are appropriate and effective. This can be done by reviewing with external auditors and internal

auditors, reviewing the Company's annual internal audit plan and evaluating the audit with the auditors and internal auditors on problems or limitations arising from the audit of the financial statements, electronic data processing control planning and data security to prevent fraud or misuse of computers by Company's employees or third parties, and considering the independence of the internal audit unit as well as approving the consideration of appointment, transfer, or termination of the head of the internal audit unit or any other unit responsible for internal audits.

- (3) Review the Company's operations to be in accordance with the Securities and Exchange Act, Regulations of the Stock Exchange of Thailand or laws related to the Company's business, as well as having duties and responsibilities in accordance with the regulations and rules of the Office of the Securities and Exchange Commission, including the Stock Exchange of Thailand.
- (4) Consider, select, propose, appoint and terminate the employment of independent persons to act as the Company's auditors, including considering and proposing the auditor's remuneration, taking into account reliability, resource sufficiency and the amount of audit work of the auditing office, the experience of personnel assigned to audit the Company's accounts, including attending a meeting with the auditor without the management at least once a year.
- (5) Consider and approve the connected transactions and/or the acquisition or disposition of the Company's assets or a subsidiary, including considering the disclosure of the Company's information. In the event of a connected transaction or a transaction that may have a conflict of interest, it shall be accurate and complete. This includes considering and approving such transaction to be presented to the Board of Directors' meeting and/or the Company's shareholders' meeting. This is to comply with the provisions of the relevant laws and to ensure that the transaction is reasonable and in the best interest of the Company.
- (6) Prepare a report on the activities of the Audit Committee and disclose them in the Company's annual report. Such report shall contain complete information as required by law and shall be signed by the Chairman of the Audit Committee. The following report shall at least contain the following information:
 1. Opinions on the accuracy, completeness, and reliability of the process of preparing and disclosing information on the Company's financial reports.
 2. Opinions on the adequacy of the Company's internal control system.
 3. Opinions on the compliance with Securities and Exchange Law, stock exchange requirements or laws related to the Company's business.
 4. Opinions on the suitability of the auditor.
 5. Opinions on the transactions that may subject to conflicts of interest.
 6. Number of Audit Committee Meetings and attendance of each Audit Committee Member
 7. Overall opinions or observations received by the Audit Committee in performing duties as prescribed in the Charter.
 8. Other reports that the shareholders and general investors shall be acknowledged under the scope of duties and responsibilities assigned by the Board of Directors and/or to comply with the law.
- (7) In accordance with the duties and responsibilities assigned by the Board of Directors, the Audit Committee is responsible to the Board of Directors. Moreover, they are also responsible for reporting the activities of the Audit Committee or any other duties assigned by the Board of Directors to the Board of Directors of the Company. The Audit Committee shall immediately report to the Board of Directors in the following cases:
 1. Items that have or may cause conflicts of interest.

2. Suspicion or assumption that there may be a fraud, abnormality or any major defects in the internal control system.
 3. Suspicion of a violation of any law or regulation of the Securities and Exchange Commission and/or the Stock Exchange of Thailand or laws related to the Company's business.
 4. Any other reports that the Board of Directors shall be acknowledged, if the Audit Committee has reported to the Board of Directors of anything that has a significant impact on the financial position and results of operations and has discussed with the Board of Directors and the management that they shall take corrective action at the end of the specified time. If the Audit Committee finds that there is unreasonable neglect to take such remedial action, one of the Audit Committee members may report such findings to the Securities and Exchange Commission and/or the Stock Exchange of Thailand, as the case may be.
- (8) After the Audit Committee has been notified by the auditor that, in the event that the auditor detects suspicious circumstances that a director, manager, or person responsible for the operation of the Company has committed an offense in connection with duties and responsibilities under the Securities and Exchange Act, Section 281/2 paragraph two, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313, the Audit Committee shall conduct an audit and report the results of the preliminary inspection to the Office of the Securities and Exchange Commission and the auditor within 30 days from the date of receiving the notification from the auditor.
 - (9) The Audit Committee has the power to seek independent opinions from any other professional advisor when deemed necessary, which the Company is responsible for all expenses.
 - (10) The Audit Committee has the power to invite the management or other related persons to provide opinions, attend meetings or provide relevant information or request information from each departments of the Company for further consideration in various matters.
 - (11) Review and update the Audit Committee Charter regularly and propose to the Board of Directors for approval.
 - (12) Perform any other tasks as assigned by the Board of Directors and/or with the approval of the Audit Committee, such as reviewing financial and risk management policies, reviewing management's compliance with the Code of Business Conduct, and working with the Company's management on important reports that shall be presented to the public as required by law, such as reports and management's analysis. The power to make the Audit Committee or a person authorized by the Audit Committee able to vote and give opinions on items that the Audit Committee or the person authorized by the Audit Committee or persons who may have conflicts according to the Notification of the Securities and Exchange Commission and/or the Stock Exchange of Thailand have a stake or conflict of interest in the Company and/or its subsidiaries and/or related companies.
 - (13) The Audit Committee is responsible to the Board of Directors and the Board of Directors shall take responsibilities for the operations for the third parties.

2.2 Nomination and Remuneration Committee

Nomination of Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 3 members, namely, Air Chief Marshal Arnon Jarayapant, as the Chairman of the Nomination and Remuneration Committee, Mr. Chanon Chotevijit (*), and

Mr. Teeranut Thangsatapornpong as a member of the Nomination and Remuneration Committee. The scope of work is to determine rules and policies for the selection of the Board of Directors and Sub-committees of the Company and to consider the selection of Directors and Sub-committees by considering suitable persons to serve as directors, to propose to the Board of Directors for consideration and to propose for approval at the shareholders' meeting, and to consider the guidelines for the determination of the remuneration of each committees.

** In this regard, Mr. Chanon Chotevijit resigned from the director position of the Company on 24 December 2021, and the Company has not appointed any individual to replace Mr. Chanon Chotevijit, who has been resigned from the position as a new director.*

Charter or Duties and Responsibilities of the Nomination and Remuneration Committee

- (1) Establish rules and policies for considering the nomination of Directors, Executive Director and each committees as appropriate.
- (2) Consider the structure, size and composition of the Board of Directors and Sub-committees to be suitable for the Company's strategy and changing situations.
- (3) Consider the qualifications of the person who will hold the position of Director, taking into account the diverse knowledge and expertise, skills and experiences that benefit the Company's business operations and is able to devote sufficient time.
- (4) Consider the qualifications of the person who will be an Independent Director to be appropriate with the distinctive nature of the Company that at least possess the qualifications in accordance with the rules prescribed by the Office of the Securities and Exchange Commission.
- (5) Support and provide consultation to the Company to be assessed or ranked on corporate governance in order to continually develop and raise the standards of corporate governance of the Company.
- (6) Consider the selection of qualified Company Directors to be members of the committees to be proposed to the Board of Directors, as well as consider appointing as appropriate or when the position is vacant.
- (7) Consider reviewing the succession plan for the Chief Executive Officer position along with a list of suitable persons who will be considered for succession on a regular basis and submit it to the Board of Directors for consideration when the position is vacant.
- (8) Consider policies and guidelines for recruiting and determining compensation, both monetary and non-monetary for the Committee, Board of Directors and Chief Executive Officer to be in accordance with the Company's performance by comparing it with the compensation of other companies in the same industry to present to the Board of Directors and/or the Company's shareholders' meeting for further approval, including the power to consider the selection of Directors and the determination of remuneration for the subsidiaries.
- (9) Consider the nomination and remuneration of the Company's executives from the managing Director level upwards, as well as determining policies for the recruitment and appointment of executives of such companies with the authority to consider for the subsidiary.
- (10) Consider the Director's remuneration, annual salary increase for top executives, bonus, and various awards with the authority to consider for the subsidiary.
- (11) Report the performance of duties to the Board of Directors at least once a year.
- (12) The Nomination and Remuneration Committee may request the opinions of the independent advisor when considered necessary and appropriate in performing the duties, where the Company is responsible for all

expenses.

- (13) Regularly review and update the Nomination and Remuneration Committee Charter and propose to the Board of Directors for approval.
- (14) Perform any other tasks as assigned by the Board of Directors of the Company.
- (15) Present the above matters in items 1-10 to the Board of Directors and/or the shareholders' meeting for further consideration and approval.

In this regard, the delegation of powers to the Nomination and Remuneration Committee as mentioned above does not include the authorization of the Nomination and Remuneration Committee or a person authorized by the Nomination and Remuneration Committee to approve any transaction in which the Nomination and Remuneration Committee or a person authorized by the Nomination and Remuneration Committee or persons who may have conflicts (according to the announcement of the Securities and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) to have a stake or conflict of interest in the Company and/or its subsidiaries and/or related companies, which the Nomination and Remuneration Committee shall present the matter to the Board of Directors and/or the shareholders' meeting for further consideration.

2.3 Board of Directors

Nomination of the Board of Directors

The Board of Directors is a Sub-committee appointed by the Board of Directors and consists of 5 people involved in the management, namely, Mr. Suksan Yasasin as the Chairman of the Executive Committee, Mr. Kittu Tungswong, Mr. Seksan Rangsiyeranon, Mrs. Pim Pattamasing Na Ayuthaya, Mr. Nattapol Thipchatchawanwong and Ms. Naowarat Sangkrot as the Executive Director. The Board of Directors assigns powers and duties to the Executive Committee on the Charter of the Executive Committee.

Charter or Duties and Responsibilities of the Executive Committee

- (1) Responsible for scrutinizing strategic plans, annual business plan, capital expenditure budget, business goals, project plans before submitting to the Board of Directors for approval.
- (2) Control operations in accordance with the law and manage the Company's business to achieve the objectives, vision, missions, strategies, and policies of the Board of Directors and in accordance with the laws, conditions, rules, and regulations of the Company and relevant regulatory units.
- (3) Carry out the operations related to the general business of the Company, approve and follow up on the operations in matters stipulated in the Board of Directors' regulations, such as investments that require large sums of money, new product releases, joint ventures, loans or guarantees other than the normal business of the Company.
- (4) Consider and provide opinions to the Board of Directors regarding the Company's dividend payment policy.
- (5) Review and approve the investment transactions and the acquisition and disposition of assets under the approval authority of the management based on the announcement regarding the acquisition or disposition of assets of listed companies.
- (6) Supervise and manage the Company's investments efficiently for the best benefit of the shareholders.
- (7) Consider and approve the matters requiring approval from the Board of Directors, except for any activities that the Board of Directors has assigned other Sub-committees to carry out.
- (8) Report key performance to the Board of Directors on a regular basis, including important issues that the

Board of Directors shall be acknowledged.

- (9) Evaluate each own performance annually.
- (10) The Executive Committee may request the opinions of the independent advisor when considered necessary and appropriate in performing the duties, where the Company is responsible for all expenses.
- (11) Regularly review and update the Executive Committee Charter and propose to the Board of Directors for approval.
- (12) Perform any other tasks assigned by the Board of Directors.

2.4 Risk Management Committee

Nomination of the Risk Management Committee

The Risk Management Committee consists of Chief Executive Officer, Director or Independent Director, Managing Director, Deputy Chief Executive Officer, Chief Financial Officer, and 5 suitable Company executives, namely, Mr. Teeranut Thangsatapornpong as the Chairman of the Risk Management Committee, Mr. Suksan Yasasin, Mrs. Pim Pattamasing Na Ayuthaya, Mr. Seksan Rangsiyeranon and Mr. Kittit Tungsiwong as members of the Risk Management Committee. The Risk Management Committee has the powers and duties as specified in the Charter.

Charter or Duties and Responsibilities of the Risk Management Committee

- (1) Establish policies to propose to the Board of Directors for consideration on overall risk management, which shall control various types of key risks.
- (2) Determine strategies in accordance with the overall risk management policy by providing an assessment, monitoring, and overseeing the risk level of the Company to be at an appropriate level.
- (3) Review the adequacy of the policy, risk management, system effectiveness and compliance with established policies, as well as control and supervise the overall picture for companies in the business group.
- (4) Supervise, monitor, and review key risk management reports along with provide the advices and opinions on the results of the risk assessment, risk management measures, and the Company's remaining risk management plan to ensure effective risk management and that it is suitable for the Company's business operations and able to manage various risks to an acceptable level and is in line with the risk management policy.
- (5) Determine and review the Risk Management Committee Charter to be in accordance with the risk management policy to be effective and sufficient, consistent with changing circumstances.
- (6) Continuously provide support for the development of risk management and various risk management support tools at all levels throughout the organization effectively, including promoting and supporting improvements and developing a risk management system within the organization continuously and regularly.
- (7) Report key risk management results to the Board of Directors for acknowledgment in the event of factors or events that may have a significant impact on the Company.
- (8) Communicate and exchange information as well as coordinate the risks and internal controls with the Audit Committee on a regular basis.
- (9) The Risk Management Committee may request the opinions of the independent advisor when considered necessary and appropriate in performing the duties, where the Company is responsible for all expenses.
- (10) Regularly review and update the Risk Management Committee Charter and propose to the Board of Directors for approval.

(11) Perform any other tasks assigned by the Board of Directors.

2.5 Corporate Governance Committee

Nomination of the Corporate Governance Committee

The Corporate Governance Committee consists of 3 directors, namely, Mr. Teeranut Thangsatapornpong, as the Chairman of the Corporate Governance Committee, Mr. Suksan Yasasin, and Mrs. Pim Pattamasing Na Ayuthaya as members of the Corporate Governance Committee who are responsible for determining good corporate governance practices to be presented to the Board of Directors, including overseeing the performance of directors and management to comply with the principles of good corporate governance with the powers and duties specified in the Charter of the Corporate Governance Committee.

Charter or Duties and Responsibilities of the Corporate Governance Committee

- (1) Establish policies and guidelines for effective corporate governance and transparency that are checkable and able to make all parties involved confident, to be proposed to the Board of Directors.
- (2) Monitor and supervise the operations of the directors and management in accordance with the good corporate governance policy, with ethics and the principles of good corporate governance of the Stock Exchange of Thailand and in accordance with the relevant laws including international standards.
- (3) Cooperate with the compliance department by following The Principles of Good Corporate Governance for Listed Companies 2017, or its amended version as determined by the Stock Exchange of Thailand as a guideline.
- (4) Regularly review and update the Company's corporate governance policy at least once a year to comply with international standards of practice guidelines and recommendations of the Department of Good Governance for Capital Market Development, Stock Exchange of Thailand, or related agencies.
- (5) Report to the Board of Directors regarding the good corporate governance of the Company with opinions, guidelines, and recommendations for amendment and improvement as appropriate.
- (6) The Corporate Governance Committee shall hold meetings as necessary and appropriate. The meeting shall be held at least once a year, and the results of the meeting shall be reported to the Board of Directors for acknowledgement.
- (7) Prepare a summary report on the performance of duties and corporate governance of the Corporate Governance Committee as shown on the Company's annual report.
- (8) Encourage the dissemination of good corporate governance culture to be acknowledged and understood by management and employees at all levels and to be effective in practice both in the Company and its subsidiaries.
- (9) Support and provide consultation to the Company to be assessed or ranked on corporate governance in order to continually develop and raise the standards of corporate governance of the Company.
- (10) The Corporate Governance Committee may request the opinions of the independent advisor when considered necessary and appropriate in performing the duties, where the Company is responsible for all expenses.
- (11) Regularly review and update the Corporate Governance Committee Charter and propose to the Board of Directors for approval.
- (12) Perform any other tasks assigned by the Board of Directors.

Chairman of the Board and Chief Executive Officer

The Board of Directors has clearly separated the roles and responsibilities between the Board of Directors and the management. The Board of Directors clearly determines the powers, duties, and responsibilities of the Chairman of the Board and the Chief Executive Officer as a guideline for the performance of the duties of the Chairman and Chief Executive Officer with the details as follows:

Authorities, Duties and Responsibilities of the Chairman

- (1) Supervise and monitor the operations of the Board of Directors and Sub-committees.
- (2) Conduct a meeting of the Board of Directors or may assign another person to act on behalf.
- (3) Preside over the Board of Directors' meeting, In the event of equal votes, the Chairman of the Board shall have one more vote as a casting vote.
- (4) Preside over the shareholders' meeting and ensure the meeting is in accordance with the Company's Articles of Association as well as conduct the meeting in accordance with the agenda set forth in the meeting invitation letter.
- (5) Perform any other tasks as assigned by the Board of Directors.

Authorities, Duties and Responsibilities of the Chief Executive Officer

- (1) Manage the Company's business in accordance with the Company's policies, objectives, regulations, the shareholders' meeting resolution, the Board of Directors' meeting resolution, the Executive Committee's meeting resolution, as well as related regulations.
- (2) Order or take any action to accomplish the operations as stated under clause 1. Any important matter is to be reported to the Board of Directors' meeting and/or the Executive Committee meeting.
- (3) Consider and approve the assignment, appointment, transfer, dismissal, merit, disciplinary actions, as well as compensation and welfare of employees. All operations shall not conflict with the authority of the Executive Committee.
- (4) Issue regulations on the operations of the Company with no conflict with the policies, regulations, rules, and any resolution of the shareholders' meeting, the Board of Directors' meeting, and/or the Executive Committee meeting.
- (5) Grant authorities and/or assign other persons to act on behalf to perform specific tasks.
- (6) Support and develop the Company to operate the business with ethics, in compliance with the laws, morals, and good work culture by adhering to good governance.
- (7) The Chief Executive Officer (Managing Director) is unable to exercise the above-mentioned powers if the Chief Executive Officer has a stake or a conflict of interest with the Company.
- (8) If there is any ambiguity of using the above-mentioned power, it shall be proposed to the Board of Directors for consideration.
- (9) Perform any other tasks as assigned by the Board of Directors and/or the Executive Committee.

6.2 (Code of Conduct)

The Company is committed to ensure that the employees of the Company all have awareness and responsibility for being trusted in doing business to lead to success with stability, sustainability and trust by customers, shareholders and the general public. Therefore, the ethical behavior and code of conduct of employees towards the stakeholders have been established as follows:

Company

1. Maintain the reputation and dignity of the Company.
2. Behave in accordance with the rules, regulations and discipline stipulated in the Company's Code of Conduct.
3. Honest, dedicated, and willing to sacrifice.
4. Possess a positive attitude and pride in the organization and shall not accuse the Company without facts.
5. Notify events that may affect the Company and/or mistreatment or unlawful acts against the relevant departments of the Company to take preventative action.
6. Make the best use of the Company's assets by not wasting them as well as not allowing them to deteriorate earlier than scheduled.
7. Perform duties to the best of ability, prudence, speed, diligence and reasonable by taking into account the interests of the Company.
8. Be punctual and make the best use of time. The employees shall not be permanent employees or temporary employees of other companies doing similar business with companies or competitors or have conflicts of interest with the Company.
9. Refrain from disclosing information, news and technology that is confidential or may affect the Company to third parties.
10. Shall not operate any business or make any investment that are the competition or cause conflicts of interest to the Company.
11. Abstain from voting or voting at the meeting in cases that may cause conflicts of interest.
12. Maintain creativity together to create unity and solidarity among employees, in order to collaborate and solve problems as an effective team for the Company.
13. Pay attention and perform the duties that maintain a safe and good working environment.
14. Cooperate and comply with the Company's good corporate governance principles.
15. Refrain from performing the work outside the scope of work assigned by the Company. If other work is required, the work shall not be in the following manner:
 - Affect the main duties
 - Violate the law or is against public order or morals, and may contradict the interest and the regulations of the Company.
 - Create negative effect on the image and reputation of the Company.
 - Use or disclose Company's confidential information.

Customers

1. Treat customers politely and legally and provide prompt and accurate services with equality.
2. Strictly maintain confidentiality and customer information.
3. Behave in a way that create credibility among the customers.
4. Refrain from receiving any property or other benefits that have a value beyond the norm that a sensible person will give each other in exchange with affection from the customer or those who may benefit from performing their duties and complying with the gift and entertainment policy of giving or receiving gifts and entertainment.
5. Avoid situations that may cause conflicts of interest with customers.

Oneself

1. Be a person with good morals and behave appropriately, ignoring all kinds of vices and gambling.
2. Be truthful to oneself and others.
3. Develop knowledge and abilities to constantly increase operational skills.
4. Use the profession to perform duties with integrity without seeking personal gain.
5. Refrain from improper use of Company's property, equipment and operations.

Responsibility to Trade Partners and Payables

To conduct business with any business partner shall be done with honesty, maintain a company reputation that are not contrary to any laws, and shall take into account equality in business operations and mutual benefits with partners. The selection of partners shall be fair and the Company recognizes the importance of its partners in creating value for customers. The Company adheres to the contract and complies with the conditions for repayment of principal, interest, and the reasonable care in the custody of the collateral.

Supervisors and Colleagues

1. Cooperate and help each other at work.
2. Respect the supervisors.
3. Have empathy and mercy on subordinates.
4. Provide knowledge and convey work experiences to the colleagues.
5. Avoid accepting high-value gifts from colleagues and subordinates.
6. Shall not use personal matters or information of colleagues to criticize in a derogatory way.
7. Treat supervisors and colleagues with politeness, kindness and good human relations.
8. Refrain from claiming others' credits to be your own credit.
9. Possess a good attitude and shall not defame supervisors and colleagues without facts or fairness.

Supervision of the Use of Inside Information

The Company has policies and procedures for supervision in the Compliance Manual of directors and executives in using the inside information of the Company and its subsidiaries which has not yet been disclosed to the public for personal gain according to the rules of the Securities and Exchange Commission as follows:

1. The Company shall educate the directors and executives on the duty to report securities holdings of one's spouse and minor children, including reporting the acquisition or disposition of securities to the Office of the Securities and Exchange Commission.
2. The directors and executives of the Company and its subsidiaries, including spouse and minor children shall prepare and disclose securities holding reports and reports on changes in the Company's securities

holdings to the Securities and Exchange Commission and submit a copy of this report to the Company on the same day as the date of submission of the report to the Securities and Exchange Commission.

3. Directors, executives, staff, and employees of the Company and its subsidiaries who are aware of material inside information that affects the change in securities prices shall refrain from trading in the Company's securities during the one month period before the financial statements or such inside information are disclosed to the public and during the period of 24 hours after it has been made public. Persons dealing with inside information shall not disclose such information to others until the Stock Exchange of Thailand has been informed.
4. Directors, executives, staff, and employees of the Company and its subsidiaries are prohibited from using inside information about the Company and its subsidiaries that have or may affect changes in the prices of the Company's securities that have not yet been disclosed to the public. This includes the case where they become aware of such information by taking advantage of the position that they hold and used the information to buy or sell securities, or offer to buy or sell, or solicit other people to buy or sell, or offer to buy or sell shares or other securities (if any) of the Company, either directly or indirectly, in a way that is likely to cause damage to the Company, whether such action is done for the benefit of oneself or others or such facts are disclosed for others to do so whether they receive any benefits or not.

Employee Code of Conduct

1. Employee Code of Conduct Practices

- (1) The code of conduct set forth in the principles is a discipline practice. Therefore, the employees shall understand and strictly adhere to throughout the period of performing the duties at the Company.
- (2) The Company will notify the employees in writing for acknowledgement and adherence of the ethical practices as well as require supervisors to supervise operations to strictly and highly monitor and supervise employees. In the event that there are violations or any non-compliance acts will be subject to disciplinary action.

2. Ensure that employees comply with the Code of Conduct

- (1) The code of conduct are the duties and responsibilities of the directors and employees to be acknowledged and strictly adhered.
- (2) Supervisors at all levels shall take full responsibility for their subordinates to strictly adhere to the code of conduct.
- (3) Supervisors at all levels shall take lead in ethical practices as well as promote the working environment for employees and related parties to understand that this is the right thing to do which shall be strictly adhered and shall not claim that they are not aware of it.
- (4) When in doubt or is unsure on how to follow the codes of conduct, the employees shall consult with the supervisor or Human Resources Department which is responsible for overseeing compliance with the codes of conduct.
- (5) When there is a problem interpreting or complying with the code of conduct of the employees.
 - In the case of Directors, the Audit Committee or the Board of Directors shall have the power to make the decision.
 - In the case of employees, the committee consists of the human resources manager, the support and management department that oversees and supervise Compliance practices, and the manager with whom the employee is affiliated to have the authority to make a decision. The following decision made shall be considered a final decision.

6.3 Significant changes and developments in policies, practices, and corporate governance systems in the past year.

In 2021, the Board of Directors reviewed and improved the good corporate governance policy by improving the Company's policies, measures, and operating processes to be more modern and more in line with the CG Code practices as follows:

- Improve/add the topic: The information Disclosure and Transparency
- Add the topic: Company's Central Policy
- Add the topic: Ethics and Code of Conduct for Directors and Employees
- Add the topic: Policy on Reporting on Interests of Directors and Executives

In this regard, the Company has applied the Good Corporate Governance Principles for Listed Companies in 2017 (CG Code) in all respects.



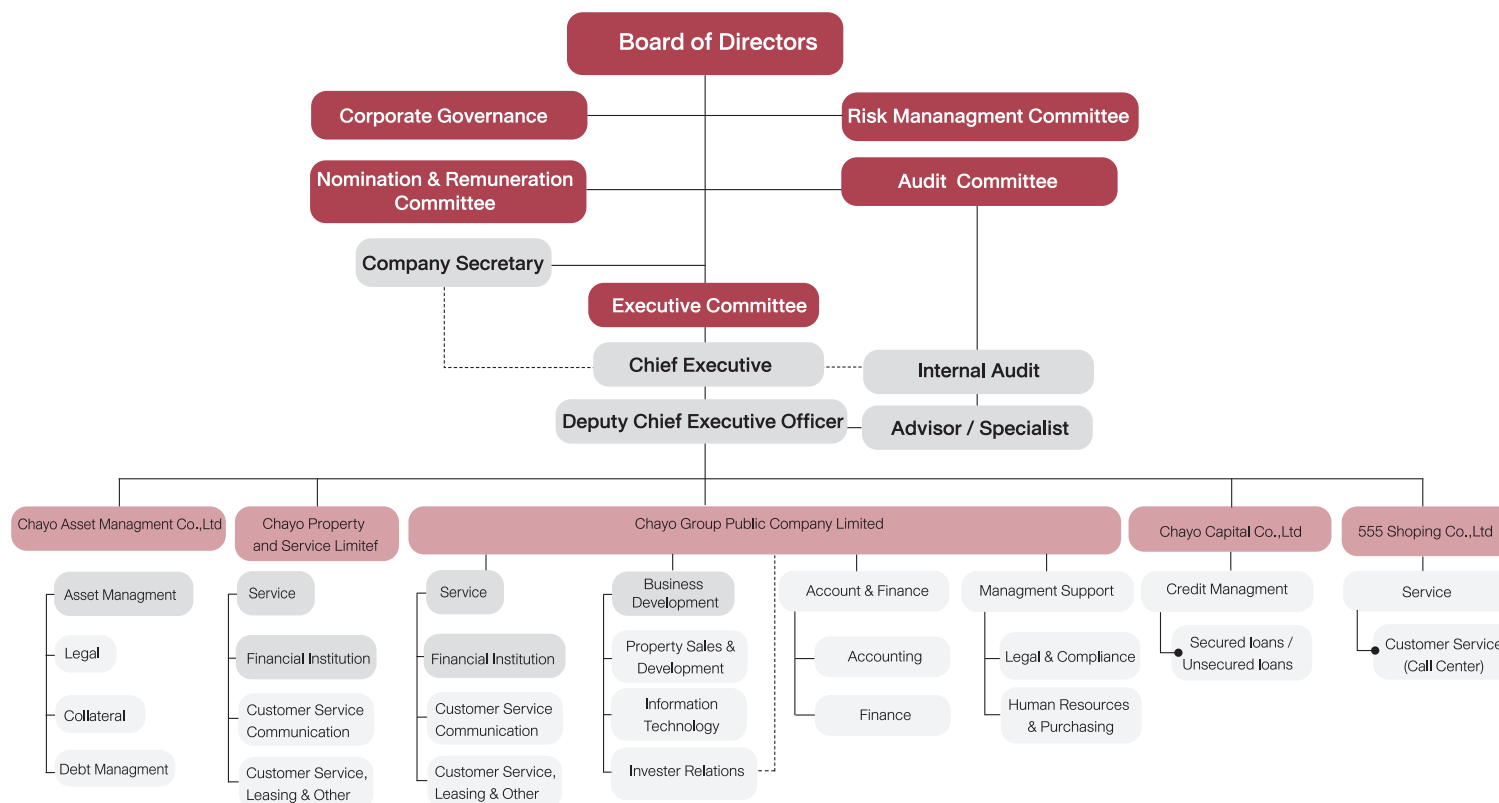
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Corporate Governance Structure and important information regarding the Board of Directors, Sub-committees, Executives, Employees, and others

7.1 Management Structure

Chayo Group Public Company Limited is responsible for supervising subsidiaries to operate their business under the same standards for the best interests of the shareholders. The Board of Directors is responsible for supervising and controlling the operations of the Company and its subsidiaries.

Company's organizational structure as of 31 December 2021



7.2 The Board of Directors Information

The Company's management structure consists of 6 committees, namely, the Board of Directors, Executive Committee, Audit Committee, Risk Management Committee, Corporate Governance Committee, and the Nomination and Remuneration Committee.

The Board of Directors and the Company executives shall consist of experts who possess qualifications as defined under Section 68 of the Public Limited Companies Act, B.E. 2535 and the Notification of the Capital Market Supervisory Board No. TorJor. 25/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares dated 15 December 2008 in all respects. As of 31 December 2021, the Board of Directors appointed by the resolution of the Annual General Meeting of Shareholders for the 2021 consists of 10 members as follows:

No.	Name – Surname	Position
1.	Mr. Wutisak Lapcharoensap	<ul style="list-style-type: none"> Chairman of the Board Independent Director
2.	Mr. Chanon Chotevijit*	<ul style="list-style-type: none"> Director Independent Director Nomination and Remuneration Committee
3.	Air Chief Marshal Arnon Jarayapant **	<ul style="list-style-type: none"> Director Independent Director Chairman of the Audit Committee Chairman of Nomination and Remuneration Committee
4.	Mr. Teeranut Thangsatapornpong	<ul style="list-style-type: none"> Director Independent Director Audit Committee Chairman of Risk Management Committee Nomination and Remuneration Committee Chairman of the Corporate Governance Committee
5.	Mr. Vitthaya Inala	<ul style="list-style-type: none"> Director
6.	Mrs. Rosporn Sooksomporn***	<ul style="list-style-type: none"> Director Independent Director Audit Committee
7.	Mr. Seksan Rangsiyeranon	<ul style="list-style-type: none"> Director Executive Committee Risk Management Committee
8.	Mr. Suksan Yasasin	<ul style="list-style-type: none"> Vice Chairman of the Board Risk Management Committee Corporate Governance Committee Nomination and Remuneration Committee Chairman of Executive Committee Chief Executive Officer

No.	Name – Surname	Position
	Mr. Kittit Tungsriwong	<ul style="list-style-type: none"> • Director • Risk Management Committee • Nomination and Remuneration Committee • Executive Committee • Deputy Chief Executive Officer • Company secretary
	Mrs. Pim Pattamasing Na Ayuthaya	<ul style="list-style-type: none"> • Director • Risk Management Committee • Corporate Governance Committee • Executive Committee • Managing Director of Executive Support

Remark :

- * Mr. Chanon Chotevijit resigned from the director position of the Company on 24 December 2021.
- ** The Board of Directors' Meeting No. 8/2021, dated 27 December 2021, had a resolution in appointed Air Chief Marshal Arnon Jarayapant to be the Chairman of the Audit Committee.
- *** The Board of Directors' Meeting No. 8/2021, dated 27 December 2021, had a resolution in appointed Mrs. Rosporn Sooksomporn as an Independent Director and the Audit Committee.

The Authorized Directors to Bind a Company

Mr. Suksan Yasasin, Mrs. Pim Pattamasing Na Ayuthaya, Mr. Seksan Rangsiyeranon, and Mr. Kittit Tungsriwong. Any two of these four directors will sign jointly and affix the Company's seal.

The Authorized Directors to Control the Business Granted by Major Shareholders

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

Scope, Authorities, Duties, and Responsibilities of the Chairman of the Board

1. Supervise and monitor the operations of the Board of Directors and the Sub-committees.
2. Conduct the Board of Directors' meeting or assign another person to act on their behalf.
3. Preside over the Board of Directors' meeting, In the event of equal votes, the Chairman of the Board shall have one more vote as a casting vote.
4. Preside over the shareholders' meeting and ensure the meeting is in accordance with the Company's Articles of Association as well as conduct the meeting in accordance with the agenda set forth in the meeting invitation letter.
5. Perform any other tasks as assigned by the Board of Directors.

Scope, Authorities, Duties, and Responsibilities of the Vice Chairman of the Board

1. Manage the Company's business in accordance with the Company's policies, objectives, regulations, the shareholders' meeting resolution, the Board of Directors' meeting resolution, the Executive Committee's meeting resolution, as well as related regulations.
2. Order or take any action to accomplish the operations as stated under clause 1. Any important matter is to be reported to the Board of Directors' meeting and/or the Executive Committee meeting.
3. Consider and approve the assignment, appointment, transfer, dismissal, merit, disciplinary actions, as well as compensation and welfare of employees. All operations shall not conflict with the authority of the Executive Committee.

4. Issue regulations on the operations of the Company with no conflict with the policies, regulations, rules, and any resolution of the shareholders' meeting, the Board of Directors' meeting, and/or the Executive Committee meeting.
5. Grant authorities and/or assign other persons to act on behalf to perform specific tasks.
6. Support and develop the Company to operate the business with ethics, in compliance with the laws, morals, and good work culture by adhering to good governance.
7. The Chief Executive Officer (Managing Director) is unable to exercise the above-mentioned powers if the Chief Executive Officer has a stake or a conflict of interest with the Company.
8. If there is any ambiguity of using the above-mentioned power, it shall be proposed to the Board of Directors for consideration.
9. Perform any other tasks as assigned by the Board of Directors and/or the Executive Committee.

Scope, Authorities, Duties, and Responsibilities of the Board of Directors

1. Manage and operate the Company's business in accordance with the law, objectives, and articles of association of the Company as well as the resolutions of the Board of Directors and shareholders' meetings with honesty and care to preserve the Company's interests. Be responsible and ethical by considering the equal benefits of all shareholders.
2. Possess the authority to appoint a certain number of directors and/or executives of the Company to be the management to perform one or more tasks in order to fulfill the tasks assigned by the Board of Directors, as well as the authority to appoint the Chief Executive Officer, authorize any other person to perform any action on behalf of the Board which is under the control of the Board, and revoke, amend, or change such authority as appropriate.
3. Consider appointing other Sub-committees such as the Nomination and Remuneration Committee, Risk Management Committee, Executive Committee, etc.. This includes the authority to appoint the Chairman of each Sub-committee to support the Board's responsibilities as deems appropriate and necessary. The operations of the Sub-committees shall be regularly monitored.
4. Establish goals, guidelines, policies, action plans, and the Company's budget, as well as supervise the administration and management of the management, sub-committees, or of any other person assigned to carry out such works in accordance with the policy provided by the Board.
5. Consider, review, and approve policies, directions, strategies, business plans, and large investment projects of the Company proposed by the management and arrange for the review and improvement of the important policies and plans to be up-to-date and consistent with the Company's business conditions.
6. Continuously follow up on operating results in accordance with the plans and budgets.
7. Consider and approve investments for business expansion as well as make an investment with other businesses or companies.
8. Determine policies, directions, and strategies to supervise the management of subsidiaries and/or affiliated companies.
9. Determine the Company's regulations.
10. Consider and approve other businesses which are important to the Company or which is deemed appropriate to do so for the benefit of the Company, unless these the following actions can be done only upon prior approval from the shareholders' meeting. In the event of any operations performed by the director, a person who is authorized by the director, or a person who may have a conflict of interest, (per the notification by the Securities and Exchange Commission and/or the Stock Exchange of Thailand) stake, and any other conflict of interest with the Company and/or its subsidiaries and/or related companies,

that director or a person authorized by a director shall have no authority to approve such transactions.

- a. Any issues that the law requires to be a resolution of the shareholders' meetings.
- b. Any issues which the directors have an interest in and are within the scope of the law or the requirements of the stock exchange specifying that they shall be approved by the shareholders' meetings, for example, the operations related to connected transactions, acquisition or disposition of important assets of the Company according to the rules of the Stock Exchange of Thailand or the Securities and Exchange Commission.

The following issues shall be approved by the Board of Directors with a majority vote of the directors who attend the meeting and by the shareholders' meeting with a vote of not less than 3 out of 4 of the total votes of the shareholders who attend the meeting and have the right to vote.

- a. Sale or transfer of all or significant parts of the Company's business.
- b. Purchase or acceptance of business transfer of other companies or private companies to be in the possession of the Company.
- c. Make, amend, or terminate the contracts related to the lease of all or substantial parts of the Company's business, assign other persons to manage the business of the Company, or merge other persons' businesses for the purpose of profit-and-loss-sharing.
- d. Amendments to the memorandum of association or the Articles of Association.
- e. Capital increase, capital reduction, and issuance of debentures.
- f. Merger or dissolution of Company.
- g. Any other acts prescribed under the provisions of the law on securities and/or prescribed by the Stock Exchange that shall be approved by the Board of Directors' meeting and the shareholders' meeting with the above-mentioned votes.

For any matter on which a director has a stake or a conflict of interest with the Company or a subsidiary, a director who has such stake or conflicts of interest shall have no right to vote on that matter.

11. Possess the authority and duty to provide reports on general and financial information accurately, timely and in accordance with the law to the shareholders, stakeholders, or general investors. The Board of Directors possess the authority and duty to be acknowledged of the important audit reports of the Audit Committee or the internal audit department, as well as the auditors and consultants in each departments of the Company and determine guidelines for improvement in cases where significant flaws are found.
12. Independent Directors and Non-Executive Directors are ready to use their discretion independently in determining strategies, management, resource utilization, the appointment of directors, and determination of standards for business operations and the objection to the actions of other directors or the management in case of the differences of opinions that affect the equality of all shareholders.
13. Appoint a company secretary in accordance with the Securities and Exchange Act to provide advice on laws and regulations that the Board of Directors shall be acknowledged, as well as the management of meeting documents of the Board of Directors, important documents and activities of the Board of Directors ,including coordinate on the implementation of the Board of Directors' resolutions.
14. Provide accurate, complete, transparent, reliable, timely and equitable disclosure of information to shareholders and all groups of stakeholders.
15. Provide a reliable accounting system, financial reporting, and auditing, including supervising that there is a process to assess the suitability of internal control and internal audit that are efficient and effective.
16. Provide an appropriate and efficient risk management process, which is able to assess, monitor and manage key risks.
17. Arrange to operate in accordance with the principles of good corporate governance and business ethics

as a guideline for directors and employees and encourage communication with the personnel within the Company for acknowledgment and strict adherence.

18. Provide a clear and transparent process for conducting connected transactions.
19. Provide a clear process for the reporting of the Audit Committee to the Board of Directors when they find or have query about the transactions or actions that may have a significant impact on the financial position and operating results of the Company. The Board of Directors shall take corrective action within the timeframe that the Audit Committee deems appropriate.
20. Arrange for a review and amendment of the Board of Directors' charter to be in accordance with each circumstances.
21. Report the Company's holdings of one's, spouse and minor children at the Board of Directors' meeting on a monthly basis and shall notify the Company without any delay in the following cases:
 - Directors, executives, or related persons shall report their holdings of the Company's securities within 7 business days from the date of appointment.
 - Directors, executives, or related persons shall report any change in information regarding personal interests within 3 business days from the date of the information change.
 - Oneself or related person having interests related to the management of the Company or its subsidiaries.
 - Oneself or related person holding shares of the Company or subsidiary.
 - The Company shall notify the directors and executives to review the Company's securities holding report annually and disclose information on the interests of directors and executives in the annual registration statement form 56-1 One Report.
22. Maintain the inside information of the Company that has been acknowledged from the operating process through the performance of duties and not used for the benefit of oneself or others, including refraining from trading in securities within 1 month before the announcement of the news and disclosure of the quarterly and annual financial statements and within 24 hours after the disclosure of such financial statements.
23. The Board may seek a professional opinion on business operations by employing the external consultant which the Company is responsible for all expenses.
24. Perform any other duties related to the Company's business as assigned by the shareholders.

7.3 Sub-committees Information

The Company has 5 sub-committees, which consist of (1) Executive Committee, (2) Audit Committee, (3) Risk Management Committee, (4) Corporate Governance Committee, and (5) Nomination and Remuneration Committee, with authorities, duties, and responsibilities in summary as follows:

Executive Committee

As of 31 December 2021, the Executive Committee has been appointed by the Board of Directors, consisting of 6 members as follows:

No.	Name – Surname	Position
1.	Mr. Suksan Yasasin	Chairman of Executive Committee
2.	Mr. Kittit Tungsiwong	Deputy Chief Executive Officer
3.	Mr. Seksan Rangsiyeranon	Executive Committee
4.	Mrs. Pim Pattamasing Na Ayuthaya	Executive Committee
5.	Mr. Nattapol Thipchatchawanwong	Executive Committee
6.	Ms. Naowarat Sangkrot	Executive Committee

Scope, Authorities, Duties, and Responsibilities of the Executive Committee

1. Responsible for scrutinizing strategic plans, annual business plan, capital expenditure budget, business goals, project plans before submitting to the Board of Directors for approval.
2. Control operations in accordance with the law and manage the Company's business to achieve the objectives, vision, missions, strategies, and policies of the Board of Directors and in accordance with the laws, conditions, rules, and regulations of the Company and relevant regulatory units.
3. Carry out the operations related to the general business of the Company, approve and follow up on the operations in matters stipulated in the Board of Directors' regulations, such as investments that require large sums of money, new product releases, joint ventures, loans or guarantees other than the normal business of the Company.
4. Consider and provide opinions to the Board of Directors regarding the Company's dividend payment policy.
5. Review and approve the investment transactions and the acquisition and disposition of assets under the approval authority of the management based on the announcement regarding the acquisition or disposition of assets of listed companies.
6. Supervise and manage the Company's investments efficiently for the best benefit of the shareholders.
7. Consider and approve matters which require approval from the Board of Directors with the exception of any activity which the Board has already assigned other sub-committees to carry out.
8. Report key performance to the Board of Directors on a regular basis, including important issues that the Board of Directors shall be acknowledged.
9. Evaluate each own performance annually.

10. The Executive Committee may request the opinions of the independent advisor when considered necessary and appropriate in performing the duties, where the Company is responsible for all expenses.
11. Regularly review and update the Executive Committee Charter and propose to the Board of Directors for approval.
12. Perform any other tasks as assigned by the Board of Directors.

Audit Committee

As of 31 December 2021, the Company's Audit Committee has been appointed by the Board of Directors, consisting of 3 members as follows:

No.	Name – Surname	Position*
1.	Mr. Chanon Chotevijit**	Chairman of the Audit Committee
2.	Air Chief Marshal Arnon Jarayapant***	Chairman of the Audit Committee
3.	Mr. Teeranut Thangsatapornpong	Audit Committee
4.	Mrs. Rosporn Sooksomporn****	Audit Committee

Remark:

- * The 3 Audit Committee members have sufficient knowledge and experience to be able to review the reliability of financial statements.
- ** Mr. Chanon Chotevijit has resigned from the director position of the Company on 24 December 2021.
- *** The Board of Directors' Meeting No. 8/2021, dated 27 December 2021, had resolutions in appointed Air Chief Marshal Arnon Jarayapant to be the Chairman of the Audit Committee.
- **** The Board of Directors' Meeting No. 8/2021, dated 27 December 2021, had resolutions in appointed Mrs. Rosporn Sooksomporn to be the Independent Director and the Audit Committee.

Scope, Authorities, Duties, and Responsibilities of the Audit Committee

1. Review the Company's financial reporting process to ensure that it is accurate and adequately disclosed by coordinating with external auditors and management responsible for preparing both quarterly and annual financial reports. This includes to consider financial statements and financial reports that are relevant to accounting principles, accounting practices, compliance with accounting standards, the existence of the entity, and major accounting policy changes, including the reasons of the management regarding the determination of accounting policies before presenting them to the Board of Directors for dissemination to shareholders and general investors.
2. Establish guidelines and review the Company to have an internal control system and an internal audit system that are appropriate and effective. This can be done by reviewing with external auditors and internal auditors, reviewing the Company's annual internal audit plan and evaluating the audit with the auditors and internal auditors on problems or limitations arising from the audit of the financial statements, electronic data processing control planning and data security to prevent fraud or misuse of computers by Company's employees or third parties, and considering the independence of the internal audit unit as well as approving the consideration of appointment, transfer, or termination of the head of the internal audit unit or any other unit responsible for internal audits.
3. Review the Company's operations to be in accordance with the Securities and Exchange Act, Regulations of the Stock Exchange of Thailand or laws related to the Company's business, as well as having duties and responsibilities in accordance with the regulations and rules of the Office of the Securities and Exchange

Commission, including the Stock Exchange of Thailand.

4. Consider, select, propose, appoint and terminate the employment of independent persons to act as the Company's auditors, including considering and proposing the auditor's remuneration, taking into account reliability, resource sufficiency and the amount of audit work of the auditing office, the experience of personnel assigned to audit the Company's accounts, including attending a meeting with the auditor without the management at least once a year.
5. Consider and approve the connected transactions and/or the acquisition or disposition of the Company's assets or a subsidiary, including considering the disclosure of the Company's information. In the event of a connected transaction or a transaction that may have a conflict of interest, it shall be accurate and complete. This includes considering and approving such transaction to be presented to the Board of Directors' meeting and/or the Company's shareholders' meeting. This is to comply with the provisions of the relevant laws and to ensure that the transaction is reasonable and in the best interest of the Company.
6. Prepare a report on the activities of the Audit Committee and disclose the information on the Company's annual report. Such report shall contain complete information as required by law and shall be signed by the Chairman of the Audit Committee. The following report shall at least contain the following information:
 - Opinions on the accuracy, completeness, and reliability of the Company's financial reports.
 - Opinions on the adequacy of the Company's internal control system.
 - Opinions on the compliance with Securities and Exchange Law, stock exchange requirements or laws related to the Company's business.
 - Opinions on the suitability of the auditor.
 - Opinions on the transactions that may subject to conflicts of interest.
 - Number of Audit Committee Meetings and attendance of each Audit Committee Member
 - Overall opinions or observations received by the Audit Committee in the performance of duties under the Charter.
 - Other reports that the shareholders and general investors shall be acknowledged under the scope of duties and responsibilities assigned by the Board of Directors and/or to comply with the law.
7. In accordance with the duties and responsibilities assigned by the Board of Directors, the Audit Committee is responsible to the Board of Directors. Moreover, they are also responsible for reporting the activities of the Audit Committee or any other duties assigned by the Board of Directors to the Board of Directors of the Company. The Audit Committee shall immediately report to the Board of Directors in the following cases:
 - Items that have or may cause conflicts of interest.
 - Suspicion or assumption that there may be a fraud, abnormality or any major defects in the internal control system.
 - Suspicion of a violation of any law or regulation of the Securities and Exchange Commission and/or the Stock Exchange of Thailand or laws related to the Company's business.
 - Any other reports that the Board of Directors shall be acknowledged,

if the Audit Committee has reported to the Board of Directors of anything that has a significant impact on the financial position and results of operations and has discussed with the Board of Directors and the management that they shall take corrective action at the end of the specified time. If the Audit Committee finds that there is unreasonable neglect to take such remedial action, one of the Audit Committee members may report such findings to the Securities and Exchange Commission and/or the Stock Exchange of

Thailand, as the case may be.

8. After the Audit Committee has been notified by the auditor that, in the event that the auditor detects suspicious circumstances that a director, manager, or person responsible for the operation of the Company has committed an offense in connection with duties and responsibilities under the Securities and Exchange Act, Section 281/2 paragraph two, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313, the Audit Committee shall conduct an audit and report the results of the preliminary inspection to the Office of the Securities and Exchange Commission and the auditor within 30 days from the date of receiving the notification from the auditor.
9. The Audit Committee has the power to seek independent opinions from any other professional advisor when deemed necessary, which the Company is responsible for all expenses.
10. The Audit Committee has the power to invite the management or other related persons to provide opinions, attend meetings or provide relevant information or request information from each departments of the Company for further consideration in various matters.
11. Review and update the Audit Committee Charter regularly and propose to the Board of Directors for approval.
12. Perform any other tasks as assigned by the Board of Directors and/or with the approval of the Audit Committee, such as reviewing financial and risk management policies, reviewing management's compliance with the Code of Business Conduct, and working with the Company's management on important reports that shall be presented to the public as required by law, such as reports and management's analysis. The power to make the Audit Committee or a person authorized by the Audit Committee able to vote and give opinions on items that the Audit Committee or the person authorized by the Audit Committee or persons who may have conflicts according to the Notification of the Securities and Exchange Commission and/or the Stock Exchange of Thailand have a stake or conflict of interest in the Company and/or its subsidiaries and/or related companies.
13. The Audit Committee is responsible to the Board of Directors and the Board of Directors shall take responsibilities for the operations for the third parties.

Risk Management Committee

As of 31 December 2021, the Company's Risk Management Committee has been appointed by the Board of Directors, consisting of 6 members as follows:

No.	Name - Surname	Position
1.	Mr. Teeranut Thangsatapornpong	Chairman of Risk Management Committee
2.	Mr. Suksan Yasasin	Risk Management Committee
3.	Mrs. Pim Pattamasing Na Ayuthaya	Risk Management Committee
4.	Mr. Seksan Rangsiyeranon	Risk Management Committee
5.	Mr. Nattapol Thipchatchawanwong	Risk Management Committee
6.	Mr. Kittit Tungsiwong	Risk Management Committee

Scope, Authorities, Duties, and Responsibilities of the Risk Management Committee

1. Establish policies to propose to the Board of Directors for consideration on overall risk management, which shall control various types of key risks.
2. Determine strategies in accordance with the overall risk management policy by providing an assessment, monitoring, and overseeing the risk level of the Company to be at an appropriate level.
3. Review the adequacy of the policy, risk management, system effectiveness and compliance with established policies, as well as control and supervise the overall picture for companies in the business group.
4. Supervise, monitor, and review key risk management reports along with provide the advices and opinions on the results of the risk assessment, risk management measures, and the Company's remaining risk management plan to ensure effective risk management and that it is suitable for the Company's business operations and able to manage various risks to an acceptable level and is in line with the risk management policy.
5. Determine and review the Risk Management Committee Charter to be in accordance with the risk management policy to be effective and sufficient, consistent with changing circumstances.
6. Continuously provide support for the development of risk management and various risk management support tools at all levels throughout the organization effectively, including promoting and supporting improvements and developing a risk management system within the organization continuously and regularly.
7. Report key risk management results to the Board of Directors for acknowledgment in the event of factors or events that may have a significant impact on the Company.
8. Communicate and exchange information, as well as coordinate works related to the risks and the internal control system with the Audit Committee regularly.
9. The Risk Management Committee may request the opinions of the independent advisor when considered necessary and appropriate in performing the duties, where the Company is responsible for all expenses.
10. Regularly review and update the Risk Management Committee Charter and propose to the Board of Directors for approval.
11. Perform any other tasks as assigned by the Board of Directors.

Corporate Governance Committee

As of 31 December 2021, the Company's Corporate Governance Committee has been appointed by the Board of Directors, consisting of 3 members as follows:

No.	Name – Surname	Position
1.	Mr. Teeranut Thangsapornpong	Chairman of the Corporate Governance Committee
2.	Mr. Suksan Yasasin	Corporate Governance Committee
3.	Mrs. Pim Pattamasing Na Ayuthaya	Corporate Governance Committee

Scope, Authorities, Duties and Responsibilities of the Corporate Governance Committee

1. Establish policies and guidelines for effective corporate governance and transparency that are checkable and able to make all parties involved confident, to be proposed to the Board of Directors.
2. Monitor and supervise the operations of the directors and management in accordance with the good corporate governance policy, with ethics and the principles of good corporate governance of the Stock

Exchange of Thailand and in accordance with the relevant laws including international standards.

3. Cooperate with the compliance department by following The Principles of Good Corporate Governance for Listed Companies 2017, or its amended version as determined by the Stock Exchange of Thailand as a guideline.
4. Regularly review and update the Company's corporate governance policy at least once a year to comply with international standards of practice guidelines and recommendations of the Department of Good Governance for Capital Market Development, Stock Exchange of Thailand, or related agencies.
5. Report to the Board of Directors regarding the good corporate governance of the Company with opinions, guidelines, and recommendations for amendment and improvement as appropriate.
6. The Corporate Governance Committee shall hold meetings as necessary and appropriate. The meeting shall be held at least once a year, and the results of the meeting shall be reported to the Board of Directors for acknowledgement.
7. Prepare a summary report on the performance of duties and corporate governance of the Corporate Governance Committee as shown on the Company's annual report.
8. Encourage the dissemination of good corporate governance culture to be acknowledged and understood by management and employees at all levels and to be effective in practice both in the Company and its subsidiaries.
9. Support and provide consultation to the Company to be assessed or ranked on corporate governance in order to continually develop and raise the standards of corporate governance of the Company.
10. The Corporate Governance Committee may request the opinions of the independent advisor when considered necessary and appropriate in performing the duties, where the Company is responsible for all expenses.
11. Regularly review and update the Corporate Governance Committee Charter and propose to the Board of Directors for approval.
12. Perform any other tasks as assigned by the Board of Directors.

Nomination and Remuneration Committee

As of 31 December 2021, the Company's Nomination and Remuneration Committee has been appointed by the Board of Directors, consisting of 5 members as follows:

No.	Name - Surname	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 Committee
5.	Mr. Kittit Tungsiwong	Nomination and Remuneration Committee

Remark : * Mr. Chanon Chotevijit has resigned from the director position of the Company on 24 December 2021.

Scope, Authorities, Duties, and Responsibilities of Nomination and Remuneration Committee

1. Establish rules and policies for considering the nomination of Directors, Executive Director and each committees as appropriate.
2. Consider the structure, size and composition of the Board of Directors and Sub-committees to be suitable for the Company's strategy and changing situations.
3. Consider the qualifications of the person who will hold the position of Director, taking into account the diverse knowledge and expertise, skills and experiences that benefit the Company's business operations and is able to devote sufficient time.
4. Consider the qualifications of the person who will be an Independent Director to be appropriate with the distinctive nature of the Company that at least possess the qualifications in accordance with the rules prescribed by the Office of the Securities and Exchange Commission.
5. Conduct nominations and provide recommendations of qualified candidates for the position of Director, Managing Director/President to the Board of Directors.
6. Consider the selection of qualified Company Directors to be members of the committees to be proposed to the Board of Directors, as well as consider appointing as appropriate or when the position is vacant.
7. Consider reviewing the succession plan for the Chief Executive Officer position along with a list of suitable persons who will be considered for succession on a regular basis and submit it to the Board of Directors for consideration when the position is vacant.
8. Consider reviewing the succession plan for the Chief Executive Officer position along with a list of suitable persons who will be considered for succession on a regular basis and submit it to the Board of Directors for consideration when the position is vacant.
9. Consider policies and guidelines for recruiting and determining compensation, both monetary and non-monetary for the Committee, Board of Directors and Chief Executive Officer to be in accordance with the Company's performance by comparing it with the compensation of other companies in the same industry to present to the Board of Directors and/or the Company's shareholders' meeting for further approval, including the power to consider the selection of Directors and the determination of remuneration for the subsidiaries.
10. Consider the nomination and remuneration of the Company's executives from the managing Director level upwards, as well as determining policies for the recruitment and appointment of executives of such companies with the authority to consider for the subsidiary.
11. Consider the Director's remuneration, annual salary increase for top executives, bonus, and various awards with the authority to consider for the subsidiary.
12. Report the performance of duties to the Board of Directors at least once a year.
13. The Nomination and Remuneration Committee may request the opinions of the independent advisor when considered necessary and appropriate in performing the duties, where the Company is responsible for all expenses.
14. Regularly review and update the Nomination and Remuneration Committee Charter and propose to the Board of Directors for approval.
15. Perform any other tasks assigned by the Board of Directors.
16. Present the above matters in items 1-10 to the Board of Directors and/or the shareholders' meeting for further consideration and approval.

In this regard, the delegation of powers to the Nomination and Remuneration Committee as mentioned above does not include the authorization of the Nomination and Remuneration Committee or a person authorized by the

Nomination and Remuneration Committee to approve any transaction in which the Nomination and Remuneration Committee, or a person authorized by the Nomination and Remuneration Committee or persons who may have conflicts (according to the announcement of the Securities and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) to have a stake or conflict of interest in the Company and/or its subsidiaries and/or related companies, which the Nomination and Remuneration Committee shall present the matter to the Board of Directors and/or the shareholders' meeting for further consideration.

7.4 Executives

The Company consists of executives, according to the Notification of the Securities and Exchange Commission No. GorJor. 17/2551, dated 15 December 2018, with a total number of 9 members as follows:

No.	Name - Surname	Position
1.	Mr. Suksan Yasasin	Chief Executive Officer
2.	Mr. Kitti Tungswong	Deputy Chief Executive Officer / Managing Director Business Development and Company secretary
3.	Mr. Samanpong Kleanglamyong ^{1/}	Managing Director of Asset Management
4.	Mrs. Pim Pattamasing Na Ayuthaya	Managing Director of Executive Support
5.	Mr. Nattapol Thipchatchawanwong	Chief Financial Officer / Managing Director of Credit
6.	Ms. Narumol Toprapat	Managing Director - Service Business of Chayo Property & Service Company Limited
7.	Ms. Waraporn Inthanu	Managing Director - Service Business of Chayo Group Public Company Limited
8.	Ms. Naowarat Sangkrot	Finance Manager
9.	Ms. Siriporn Detnitirat	Accounting Manager

Remark: ^{1/} The Company has appointed Mr. Samanpong Kleanglamyong to be the Managing Director of Asset Management to replace Mr. Natee Limprasert who has resigned, which will be effective from 1 November 2021.

Scope, Authorities, Duties and Responsibilities of the Deputy Chief Executive Officer

1. Manage the Company's business in accordance with the Company's policies, objectives, regulations, the shareholders' meeting resolution, the Board of Directors' meeting resolution, the Executive Committee's meeting resolution, as well as related regulations.
2. Order or take any action to accomplish the operations as stated under clause 1. Any important matter is to be reported to the Board of Directors' meeting and/or the Executive Committee meeting.
3. Consider and approve the assignment, appointment, transfer, dismissal, merit, disciplinary actions, as well as compensation and welfare of employees. All operations shall not conflict with the authority of the Executive Committee.
4. Issue regulations on the operations of the Company with no conflict with the policies, regulations, rules, and any resolution of the shareholders' meeting, the Board of Directors' meeting, and/or the Executive Committee meeting.

5. Grant authorities and/or assign other persons to act on behalf to perform specific tasks.
6. Support and develop the Company to operate the business with ethics, in compliance with the laws, morals, and good work culture by adhering to good governance.
7. The Chief Executive Officer (Managing Director) is unable to exercise the above-mentioned powers if the Chief Executive Officer has a stake or a conflict of interest with the Company.
8. If there is any ambiguity of using the above-mentioned power, it shall be proposed to the Board of Directors for consideration.
9. Perform any other tasks as assigned by the Board of Directors and/or the Executive Committee.

Remuneration Policy for Directors and Executives

The Company has a policy to pay remuneration to directors and executives of the Company. The approval of the remuneration is done as according to the hierarchy level to avoid conflicts of interests in performing the duties and ensure transparency. For example, the shareholders will approve the remuneration of the Board of Directors. The Board of Directors then approves the remuneration of Executive Committee. Finally, the Executive Committee approves the remuneration of the Executives. The Nomination and Remuneration committee will consider the appropriateness of remuneration in accordance with the knowledge, abilities, work experience, and responsibilities of each individual. There will also be the determination of the compensations based on performance such as salary, bonus, social security fund, provident funds, and other long-term benefits, etc.

In this regard, the Company has a policy stated that the Executive Committee's meeting allowance will not be paid to the members who hold executive positions and are the full-time employees of the Company.

Directors and Executives' Remuneration

Form (s) of Remuneration	2019	2020	2021
Monetary Compensation	14,867,237	19,243,581	19,772,500
Salary	12,428,862	14,808,766	14,782,000
Bonus	2,438,375	2,577,350	3,060,000
Provident fund	1,645,800	1,857,465	1,930,500
Other Compensations (Contributions to Social Security Fund and Others)	653,600	798,905	552,425
Total	17,166,637	20,042,486	20,324,925

7.5 Employees' Information

As of 31 December 2021, the Company has a total of 151 employees (excluding executives). Employees can be divided according to their line of works into 5 groups, comprising of Asset Management Line, Service Line, Business Development Line, Accounting Line, Finance Line and Management Support Line. The details are as follows:

Unit : Person

Line of work	2019	2020	2021
Asset Management Officer			
Debt Management Department	31	32	28
Litigation Department	18	17	25
Total Number of Asset Management Officer	49	49	53
Service Officer			
Customer Service Department and Financial Institutions	109	88	74
Credit Service Department	3	1	5
Total Number of Service Officer	112	89	79
Business Development Officer			
Business Development Department 1	-	-	-
Business Development Department 2	-	-	-
Total Number of Business Development Officer	-	-	-
Accounting and Finance Officer			
Accounting Department	2	2	3
Finance Department	2	2	3
Investor relations	-	-	-
Total Number of Accounting and Finance Officer	4	4	6
Executive Support Officer			
Legal and Juristic Acts Department	-	-	-
Information Technology Department	4	4	3
Human Resources and Administration Department	2	3	4
Administration Support Department	7	5	3
General Support Department	4	4	4
Total Number of Administration Support Officer	17	16	14
Total	182	158	151

Employee Compensation

In 2021, the number of employees of the Company has decreased by 7 people or 4.43%. The Company paid compensation to employees in the amount of 46,507,415 baht, which consisted of salary, commissions, bonuses, and provident fund.

Form (s) of Remuneration	2019	2020	2021
Monetary Compensation	48,003,492	45,424,029	45,001,888
Salary	28,900,302	28,274,557	28,004,268
Commission	16,720,151	15,034,509	14,589,188
Bonus	1,700,860	1,587,170	1,885,083
Provident fund	682,179	527,793	523,349
Other Compensations (Contributions to the Social Security Fund)	1,651,401	1,280,110	1,505,527
Total	49,654,893	46,704,139	46,507,415

Other Important Information

Company secretary

The Board of directors appointed Mr. Kittit Tungsriwong as the company secretary on 30 April 2019 with the responsibility to prepare and keep the register of directors, Board meeting invitation letter, Board meeting minutes, annual reports, shareholders' meeting Invitation letter, and shall maintain and keep reports on the interests reported by directors and executives, including other tasks as assigned by the Capital Market Supervisory Board.

Person who was assigned to be directly responsible for supervising bookkeeping ("Accountant")

Ms. Siriporn Detnitirat performs duties as an accounting manager or the Company's accountant from 1 November 2021 until present. The Company's accountant possesses all qualifications as prescribed by the Securities and Exchange Commission, and holds a Master's Degree in Costing from University of the Thai Chamber of Commerce, and has at least 3 years in total of working experience in accounting within the last 5 years.

Head of Internal Audit

The Company has appointed KPS Audit Company Limited ("KPS") to be an internal auditor to examine issues related to the Company's internal control system by assigning Mr. Wiwat Limnantasin with a responsibility to perform such duties. The Audit Committee has considered the qualifications and decided that they are appropriate and sufficient to perform such duties.

The Audit Committee has considered the qualifications of KPS and Mr. Wiwat Limnantasin and has the opinion that the company and the auditor are appropriate enough to perform such duties due to the independence and long experience in internal auditing. Moreover, Mr. Wiwat Limnantasin is also a person who understands the activities and operations of the Company. The qualifications of the person holding the position of the head of the internal audit unit are as follows:

Topic	Outsider Internal Auditors
Internal auditor	Mr.Wiwat Limnantasini (The person who in charge of Internal Audit) KPS Audit Company Limited.
Position	Partner
Internal Auditor's Experiences	Approximately 27 years
Audit Committees' Opinion on the Internal Auditor's Experiences	Mr.Wiwat Limnantasini possess good knowledge as well as good experiences in conducting the Company's Internal Audit.
Responsibilities	Conduct internal audits in various systems of the Company as assigned the Audit Committee assigned or deemed appropriate, including jointly present the Annual Internal Audit Plan to the Audit Committee for consideration.

Investor Relations

Name : Mr. Kittit Tungsiwong
 Address : Investor Relations Department, No. 44/499-504 Phahonyothin Road,
 Anusawari Sub-district, Bang Khen District, Bangkok 10220
 Telephone Number : 02-016-4499
 Fax : 02-001-2555
 Email : kitti@chayo555.com
 Website : www.chayo555.com

Auditor's Remuneration

Audit fee

In 2021, the Company paid audit fees to PricewaterhouseCoopers ABAS Company Limited for a total of 4,150,000 baht, increased by 8.43% from the previous year, mainly due to the expansion of the business of the Company and its subsidiaries.

Non – audit fee

-None-

8

Report on Key Performance in Corporate Governance

8.1 Summary of the Performance of the Board of Directors In the Past Year

The Board of Directors consists of 10 directors, 4 of which are Independent Directors, 3 Non-Executive Directors and 3 Executive Directors, of which 1 Independent Director is the chairman of the board. The Board of Directors has performed duties to supervise the management in accordance with the policies, guidelines and goals that create the best interests of the shareholders under the framework of good business ethics and the best interests of all stakeholders. In 2021, the Board of Directors held a total of 8 meetings covering the following matters:

1. Supervise the operations of the Company for the best interest of the shareholders by performing duties with prudence and caution (Duty of Care), honesty (Duty of Loyalty) and avoid conflicts of interest with the Company. The Board also comply with the law, objectives, regulations and resolutions of the shareholders' meeting (Duty of Obedience) and disclose information to the shareholders accurately, completely and transparently (Duty of Disclosure).
2. Supervise the management to operate effectively in accordance with the established policies, strategies and plans as well as regularly monitor and evaluate the performance of the management.
3. Establish clear and appropriate operating regulations and arrange a transparent and effective internal control system.
4. Supervise the Company to operate business with ethics, respect the rights and take full responsibilities to the shareholders and all stakeholders and operate businesses that are beneficial to the society and the environment as well as the ability to adapt under changing factors in accordance with the principles of good corporate governance.
5. Continuously monitor the Company's performance in order to be in accordance with the action plan.
6. Consider defining a risk management policy to cover the entire organization and supervise the system or process for risk management with supporting measures and control process to appropriately reduce the impact on the Company's business.
7. Consider the management structure, appoint the sub-committees, Chief Executive Officer including the determination of the scope of powers and duties of the person mentioned above.
8. Consider and approve the budget according to the budget limit specified in the Company's Manual of Authorities.

9. Provide an accounting system, reliable financial reporting and auditing as well as to ensure that there is a process for assessing the suitability of internal controls and internal audits, risk management, financial reporting and the monitoring and evaluation within the Company.

Recruitment, Development and Evaluation of the Performance of the Directors

The structure of the Company's director comprises of the Board of Directors and the Sub-Committees, namely, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Governance Committee, and Executive Committee. The Board of Directors and various committees including the Company's executives are all expert, knowledgeable, experienced, and fully qualified under Section 08 of the Public Company Limited Act B.E. 2535 pursuant to the relevant notifications of the Capital Market Supervisory Board. In this regard, the selection process for the Board of Directors shall consider the qualifications to be in accordance with the laws and regulations as follows:

Criteria for the Selection of Directors and Independent Directors

For the nomination and appointment of the Company's director to proceed in accordance with the rules and is transparent and in accordance with the principles of good corporate governance. The Board of Directors has appointed the Nomination and Remuneration Committee to consider the selection of director when the position of the Company's director is vacant or a director whose term expires to propose to the Board of Directors and/or the shareholders' meeting for consideration and approval. This is considered the process of appointing the Company's director by considering the selection of persons to be nominated for the position of the Company's director. The criteria are as follows:

- (1) Shall possess qualifications in various fields in terms of educational qualifications, professional skills, specific expertise that are beneficial to the Company's business and in line with the Company's business strategy without gender, age and race discrimination.
- (2) Shall possess leadership skill, vision, morals and ethics with a transparent work experiences.
- (3) Shall be qualified and possess no prohibited characteristics as prescribed by law and Company's regulations
- (4) In case of the nomination of the former director to be re-elected shall consider additional performances as a director and sub-committees in the past.
- (5) In case of the nomination of Independent Director, the Independent Director shall possess qualifications as specified in the criteria of the Capital Market Supervisory Board.

Director Nomination and Consideration Process

(1) The Nomination Committee is responsible for nominating qualified persons to serve as the Company's director by presenting to the Board of Directors' meeting for consideration before proposing to the Annual General Meeting of Shareholders for election with a majority vote of the shareholders attending the meeting and casting their votes.

(2) The Nomination Committee shall analyze the Board of Directors' skills, experience, knowledge and expertise to be used as the information for consideration of the selection of the director to be in accordance with the strategy in operating the business. The Nomination Committee shall consider additional knowledge, abilities, experiences that are beneficial to performing duties as director and are necessary for the elements of the Board structure that are still lacking.

(3) Whenever there is the appointment of the new director, the company secretary will arrange an orientation for the new director by providing information and introducing guidelines for the Company's business operations related to the new director's duties.

Qualifications of Independent Directors

- (1) To hold no more than 1.00% of the total number of shares with voting rights of the Company
- (2) To be absolute independent from the management and major shareholders of the Company
- (3) Not being or having been an executive director involved in the management of the business, employee, staff or advisor earning regular monthly salary, controlling person of the Company unless exempted from having the aforementioned characteristics, including the spouse of the children of the executive, major shareholder and the controlling person.
- (4) Not having or have had a business relationship with the Company including not being or having been a major shareholder, directors who are not independent directors or executives who have a business relationship with the Company, unless such foregoing relationships have ended for at least 2 years prior to the date of filing.
- (5) Not being or having been an auditor of the company, a major shareholder, directors who are not independent directors, executives or managing partner of the audit firm which has the Company's auditor, unless such foregoing relationships have ended for at least 2 years prior to the date of filing.
- (6) Not being or having been a professional services of any kind with a service fee of more than 2 million baht per year, unless such foregoing relationships have ended for at least 2 years prior to the date of filing.
- (7) Not being a director who is appointed as the representative of directors of the Company, major shareholder or shareholder who is a related person of a Company's major shareholder.
- (8) Not having any other characteristics that cause the inability to express independent opinions regarding the Company's operations.

Business Relationship or Professional Service of Independent Directors in the Past Accounting Period

- None -

Recruitment and Appointment of the Highest-Level Executives

The recruitment of the highest-level executives, the Nomination and Remuneration Committee will consider and select personnel who possess appropriate qualification to perform their duties, skills and experience that benefit the Company's operations, including a good understanding of the Company's business to be able to manage the work to achieve the objectives and goals set by the Board of Directors. This includes the ability to communicate well with subordinates and those involved in the operation as well as the ability to motivate the Company's personnel to drive the organization to achieve the Company's strategic plan, goals and vision.

The appointment of the top executives shall be nominated and selected by the Nomination and Remuneration Committee and approved by the Board of Directors' meeting. A person being appointed as the Company's high level executive shall possess all qualifications under Section Clause 8 of the Public Limited Companies Act B.E. 2535 (including any amendments) and shall not possess untrustworthy characteristics pursuant to the the Notification of the Securities and Exchange Commission No. KorJor. 8/2010 Re: Determination of Untrustworthy Characteristics of Company Directors and Executives, dated 23 April 2010 (including any amendments thereto), including having knowledge and competency as well as work experience that is suitable for the business of the Company.

The Board of Directors' Meeting

The Board of Directors determines the schedule for the Board of Directors' meetings and sub-committees' meetings every year in advance for each directors to arrange time and attend meetings. In case of special agenda, additional meetings may be held as appropriate. Furthermore, the Board of Directors has assigned the company secretary to send the meeting invitation letter along with the meeting documents. The document contains correct, complete and sufficient information for consideration and it is clearly stated as a matter of acknowledgment or approval as the case may be. The meeting invitation letter is scheduled to be sent to the directors at least 7 days in advance for the directors to gain sufficient time to go over the detail as well as inform each departments in the organization to acknowledge the date of each Board of Directors' meeting.

At the meeting of the board of directors and sub-committees, there shall be no less than 2 out of 3 of the total number of directors. Therefore, a quorum was constituted in accordance with the corporate governance policy. Prior to the start of the meeting, the chairman of the board will inform the meeting that directors who may be related or have conflict of interests in any agenda should have abstained from voting at the meeting and refrained from providing opinions on that agenda. At the end of the meeting of the Board of Directors and sub-committees, the company secretary will prepare the minutes of the meeting within 14 days, which will be kept strictly organized for future review.



Meeting Attendance and Remuneration of Individual Committees Details of the meeting attendance are as follows:

Name – Surname	Position	Number of Attendance						
		Shareholder	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee
Mr. Wuttisak Larbcharoensub	Chairman of the Board and Independent Director	1/3	5/8	-	-	-	-	-
Mr. Chanon Chotevijit ^{1/}	Director, Independent Director, Chairman of the Audit Committee and Nomination and Remuneration Committee	3/3	7/8	4/4	1/2	-	-	-
Air Chief Marshal Arnon Jarayapant ^{2/}	Director, Independent Director, Chairman of the Audit Committee and Nomination and Remuneration Committee	3/3	8/8	4/4	2/2	-	-	-
Mr. Teeranut Thangsatapornpong	Director, Independent Director, Audit Committee. Chairman of the Risk Management Committee, Nomination and Remuneration Committee and Corporate Governance Committee	3/3	8/8	4/4	2/2	-	1/1	1/1
Mr. Vitthaya Inala	Director	2/3	7/8	-	-	-	-	-
Mrs. Rosporn Sooksomporn ^{3/}	Director, Independent Director and Audit Committee	2/3	8/8	-	-	-	-	-
Mr. Seksan Rangsiyeranon	Director, Executive Director and Risk Management Committee	2/3	7/8	-	-	12/13	1/1	-

Name – Surname	Position	Number of Attendance						
		Shareholder	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee
Mr. Suksan Yasasin	Vice Chairman of the Board, Risk Management Committee, Corporate Governance Committee, Nomination and Remuneration Committee, Chairman of Executive Committee, and Chief Executive Officer	3/3	8/8	-	2/2	13/13	1/1	1/1
Mrs. Pim Pattamasing Na Ayuthaya	Director, Risk Management Committee, Corporate Governance Committee, Executive Committee, and Managing Director of Executive Support	3/3	8/8	-	-	12/13	1/1	-
Mr. Kittit Tungswong	Director, Risk Management Committee, Nomination and Remuneration Committee, Executive Committee, Deputy Chief Executive Officer, Company Secretary, and Acting Managing Director Business Development	3/3	8/8	-	2/2	13/13	1/1	1/1

Remark: ^{1/} Mr. Chanon Chotevijit resigned from the position of Company's Director on 24 December 2021.

^{2/} The Board of Directors Meeting No. 8/2021, held on 27 December 2021, had a resolution in appointed Air Chief Marshal Arnon Jarayapant to take a position of Chairman of the Audit Committee.

^{3/} The Board of Directors Meeting No. 8/2021, held on 27 December 2021, had a resolution in appointed Mrs. Rosporn Sooksomporn to take a position of Independent Director and Audit Committee.

Directors' Remuneration

(1) Monetary compensation

In 2021, the Company paid remuneration to 6 committees, namely the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Executive Committee, Risk Management Committee and the Corporate Governance Committee. The directors' remuneration consists of meeting allowances (in this regard, directors who hold executive positions are not entitled to receive meeting allowances), which are paid according to the number of meeting attendance as follows:

Name – Surname	Director's Remuneration (Baht)						Bonus	Total
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee		
Mr. Wuttisak Larbcharoensub	162,500	-	-	-	-	-	150,000	312,500
Mr. Chanon Chotevijit ^{1/}	130,000	50,000	10,000	-	-	-	120,000	310,000
Air Chief Marshal Arnon Jarayapant	130,000	40,000	12,500	-	-	-	120,000	302,000
Mr. Teeranut Thangsatapornpong	117,500	40,000	10,000	-	12,500	12,500	120,000	312,500
Mr. Vitthaya Inala	102,500	-	-	-	-	-	100,000	202,500
Mrs. Rosporn Sooksomporn	115,000	-	-	-	-	-	100,000	215,000
Mr. Seksan Rangsiyeranon	102,500	-	-	100,000	10,000	-	100,000	312,500
Mr. Suksan Yasasin ^{2/}	-	-	-	-	-	-	-	-
Mrs. Pim Pattamasing Na Ayuthaya ^{2/}	-	-	-	-	-	-	-	-
Mr. Kittit Tungswiwong ^{2/}	-	-	-	-	-	-	-	-
Total	860,000	130,000	32,500	100,000	22,500	12,500	810,000	1,967,500

Ramark: ^{1/} Mr. Chanon Chotevijit resigned from the position of Company's Director on 24 December 2021.

^{2/} Mr. Suksan Yasasin, Mrs. Pim Pattamasing Na Ayuthaya and Mr. Kittit Tungswiwong are executive directors.

Annual General Meeting of Shareholders 2021 on 27 April 2021 had a resolution in approving the determination of the remuneration of the Board of Directors and each sub-committees as follows:

Meeting Allowance

Board of Directors	Meeting Allowance (baht/person/meeting)*	
	Chairman	Committee
Board of Directors	27,500	15,000
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

Remark: * Directors holding executive positions are not entitled to receive meeting allowances.

(2) Other non-monetary compensation

In addition to paying directors' remuneration in form of meeting allowances. There are also other non-monetary compensation which are Company's directors and executive officers liability insurance.

Subsidiary Supervision

The Company manages and controls the operations of its subsidiaries both in the preparation of strategic plans, policies and goals by appointing persons to be directors or executives of the subsidiary to maintain the benefits of the Company's investment. In addition, the Company also requires its subsidiaries to comply with the Company's requirements and policies, such as preparing financial reports, making connected transaction, compliance with the good corporate governance policy, etc. The Company arranges the annual reviews and audits of the subsidiary's operations to ensure that the subsidiary has an appropriate and rigorous internal control system.

Monitor to Ensure the Compliance with Corporate Governance Policies and Guidelines

The Company places great emphasis on the good corporate governance by establishing the good corporate governance policy to be in accordance with the good corporate governance guidelines of The Securities and Exchange Commission, Thailand ("SEC") and the Stock Exchange of Thailand ("Stock Exchange") to be the operating guidelines for directors, executives and employees of the Company at all levels, which will help promote the Company's operations to be systematic with clear standards that are checkable. This is to enhance fairness and transparency which creates confidence among the shareholders, investors and related parties. The Company will supervise and manage in accordance with the objectives and goals of the Company under the operating strategy and policy and conduct business in an ethical manner and in accordance with relevant laws as well as possess effective monitoring, evaluation and reporting of operating results. This includes respecting the rights and taking full responsibilities to the shareholders and all stakeholders, taking into account the benefits of society and the environment as well as adapting to the continuous changes for the Company to be able to compete and operate business in a sustainable manner.

In 2021, the Company has monitored to ensure a compliance with good corporate governance.

1. Review the roles and duties between the Board of Directors, sub-committees and management to make business operations of the organization consistent and achievable.
2. Supervise the the business operations to ensure that the Company's operations and strategies are in line with the Company's main objectives and goals as well as the use of innovation and technology appropriately and safely and taking into account all stakeholders of the Company.
3. Ensure an appropriate balance of power of the board
4. Encourage training and knowledge expansion for the continuous improvement in performing duties
5. Ensure that information technology is used to increase business opportunities and improve operations.
6. Supervise appropriate risk management system and internal control as well as supervise the operation to be in accordance with relevant laws and standards
7. Disseminate important information accurately, adequately, in a timely manner and in accordance with the specified criteria.
8. Provide opportunities for all shareholders to possess equal rights.

In addition, the Company has to monitor the operations of the business to create compliance with the 4main points of the principles of good corporate governance as follows:

(1) Prevention of conflicts of interest

The Company places great emphasis on conducting business with honesty, transparency and accountability for the best benefit of the Company and its shareholders, all stakeholders and those involved fairly. The includes the careful consideration on the actions taken in the business operations that may cause conflicts of interest and avoid any actions that may cause conflicts of interest. This shall be in accordance with the principles of good corporate governance. In 2021, there were no directors, executives and employees who has taken any actions that caused conflicts of interest.

(2) Use of inside information for personal gain

The Company has supervised on the use of inside information for the equality and assigned to directors, management and employees dealing with inside information to be aware of the Company's practices and cautions regarding the use of inside information. This shall comply with the regulations of the Stock Exchange of Thailand and The Securities and Exchange Commission, Thailand by assigning the directors, executives, including the individuals holding executive positions in the accounting or finance field at the department manager level or higher or equivalent, their spouses and minor children. The report on changes in securities holdings to the Office of the Securities and Exchange Commission, Thailand in accordance with Section 59, including the penalties under Section 275 of the Securities and Exchange Act B.E. 2535 (including any amendments) within 3 business days from the date of purchase, sale, transfer or accept of transfer of securities

Before the Company proposes to consider certifying the statements of financial position and the statement of comprehensive income to the Board of Directors' meeting, the Company Secretary Office will notify directors, executives, including those who hold management positions in the accounting or finance field at the department manager level or higher or equivalent, and related workers who have acknowledged the important inside information. This includes to refrain from trading in the Company's securities for at least 30 days in advance of the disclosure of information to the public and at least 24 hours after the disclosure of information to the public.

In 2021, there were no directors, executives, including those holding executive positions in accounting or finance field who conducted securities trading during the period specified by the Company to refrain from trading.

(3) Anti-Corruption

The Company places great emphasis in conducting business with caution in matters of corruption by determining the anti-corruption policy for directors, executives and employees to adhere to the principles of good corporate governance and for the best interests of shareholders, stakeholders and related persons. The Company has established an organizational structure to divide duties and responsibilities, work process and the chain of command in each unit to be clear for the balance of power and rigorous of the review of each units appropriately. Furthermore, the Company also provides communication channels for employees and stakeholders to report clues, complaints, and suggestions for the acknowledgement of the Company and to investigate the facts following the process and used those complaints for further improvements appropriately.

In 2021, there were no directors, executives and employees who has taken any action that caused corruption.

(4) Whistleblowing

The Company has established a policy for whistleblowing and complaints for those involved in anti-corruption to be confident that the Company provides channels and processes for whistleblowing and complaints that are transparent, safe and fair to those who report or complain, which the information and details of the whistleblower or the complainant as well as the offender that has been reported to the Company will be kept confidential. For any disclosure of information, the Company will provide careful consideration and taking into account the safety and damage of the whistleblowers or the complainant, data source or related persons. The communication channels provided by the Company are as follows:

- (1) Direct supervisors
- (2) Human Resources Department Telephone: 02-004-5565, 086-819-3333
- (3) Fill in the information on the Company's website: <http://www.chayo555.com/> or Email: Center@chayo555.com

Action taken with respect to complaints

The recipient of the complaint shall collect facts related to violations or non-compliance with the Code of Conduct to determine the procedure and appropriate management methods in each case to propose measures to prevent violations or non-compliance with the Code of Conduct including mitigate damage to those affected and report the results to the complainants (in case of the review of identity).

Measures to protect the complainants or those who cooperate in the investigation of facts

- (1) The complainant or the person who cooperates in the investigation of facts may choose to remain anonymous. However, if there is a case of reviewing identity, the Company will be able to contact and report the results.
- (2) Upon receiving a complaint, the recipient shall keep the relevant information confidential. and shall only disclose as necessary to those responsible only.
- (3) The Company strictly prohibits retaliation against complainants or those who cooperate in the investigation of facts. Any retaliation will result in the highest level disciplinary action. This may include a dismissal of internal control and risk management.

8.2 Report on the Performance of the Audit Committee

Number of meetings and attendance of the Audit Committee

No.	Name – Surname	Audit Committee Meeting Year 2021 (meeting attendance/ all meetings)
1	Mr. Chanon Chotevijit ^{1/}	4/4
2	Air Chief Marshal Arnon Jarayapant ^{2/}	4/4
3	Mr. Teeranut Thangsatapornpong	4/4
4	Mrs. Rosporn Sooksomporn ^{3/}	0/4

Ramark: ^{1/} Mr. Chanon Chotevijit resigned from the position of Company's Director on 24 December 2021.

^{2/} The Board of Directors Meeting No. 8/2021, held on 27 December 2021, had a resolution in appointed Air Chief Marshal Arnon Jarayapant to take a position of Chairman of the Audit Committee.

^{3/} The Board of Directors Meeting No. 8/2021, held on 27 December 2021, had a resolution in appointed Mrs. Rosporn Sooksomporn to take a position of Independent Director and Audit Committee.

Performance of the Audit Committee

In 2021, the results of the audit committee's performance are as follows:

1. Review the quarterly financial statements and the Company's 2020 financial statements, both in terms of accuracy and adequate disclosure of information by meeting with the auditor and some of the time attend meetings with auditors without management to ensure that the Company's financial reports have been prepared accurately, completely, as they should be in essence and are reliable in accordance with generally accepted accounting standards, including adequate disclosure of financial statements before presenting to the Board of Directors for approval.
2. Consider to have an internal audit that is efficient and effective by considering the annual internal audit plan and internal audits result reports from the auditors including follow-up and progress in resolving issues (if any) with the management on an ongoing basis.
3. Consider the results of the review of the Company's performance in accordance with the Civil and Commercial Code, Public Limited Companies Act, Securities and Exchange Act, stock exchange requirements and laws related to the Company's business.
4. Review the Company's risk management which there are the assessment of external and internal risks. The Risk management and progress monitoring from relevant departments to ensure the business operates to achieve the established goals and if there is an event that may affect the formulation of the Company's objectives, the risk shall be managed to an acceptable level in a timely manner.
5. Review and provide opinions on entering into connected transactions or transactions that may have conflicts of interest annually and quarterly.
6. Consider the performance of the auditor and the auditor's remuneration based on business knowledge, experience, appropriateness of remuneration and independence of the auditors and propose for the consideration and appointment of the Company's auditors and audit fees to the Board of Directors for further approval at the Annual General Meeting of Shareholders.

In summary, the Audit Committee has fulfilled its duties as stipulated in the Audit Committee Charter approved by the Board of Directors and has an opinion that the company has reported financial information and the operation that are accurate,

complete. The Company also has appropriate and effective internal control system, internal audit and risk management. There is a legal practice, terms and obligations, a proper actions to be taken for connected transactions, adequate operations in accordance with the good corporate governance that are sufficient and reliable as well as the consideration of the independence of the auditors to be appointed and offered the audit fees.

8.3 Summary of the Performance of Other Sub-Committees

Number of Meetings and Attendance of Sub-Committees

The meeting attendance of the Nomination and Remuneration Committee is as follows:

No.	Name - Surname	Audit Committee Meeting Year 2021 (meeting attendance/ all meetings)
1	Air Chief Marshal Arnon Jarayapant	2/2
2	Mr. Chanon Chotevijit ^{1/}	1/2
3	Mr. Teeranut Thangsapornpong	2/2
4	Mr. Suksan Yasasin	2/2
5	Mr. Kitti Tungsriwong	2/2

Ramark: ^{1/} Mr. Chanon Chotevijit resigned from the position of Company's Director on 24 December 2021.

Performance of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 5 directors, which there are 3 Independent Directors. The Nomination and Remuneration Committee has performed duties as assigned by the Board of Directors carefully, transparent, fairly and taking into account the best interests of shareholders and stakeholders. In 2021, the Nomination and Remuneration held a total of 2 meetings, covering the following matters:

1. Consider and appoint the directors to replace those who have retired by considering persons with appropriate qualifications and in accordance with the specified qualifications criteria to propose to the Board of Directors for consideration and approval to nominate suitable persons to the Annual General Meeting of Shareholders for consideration and appointment of the next director.
2. Consider and appoint directors to replace those who have resigned and the Nomination and Remuneration Committee has used prudence in considering the persons who possess knowledge, competency and qualifications that are appropriate to propose to the Board of Directors for consideration and appointment of the director.
3. Consider and determine the remuneration for the Board of Directors and sub-committees for the year 2021, by considering factors that are in accordance with their responsibilities and duties to propose to the Board of Directors and the Annual General Meeting of Shareholders for the year 2021 for approval.
4. Consider and determine the criteria for paying bonuses for the year 2021 to propose to the Board of Directors for approval.

In addition, in the year 2021, the Board of Directors has given the opportunity for shareholders to nominate a suitable person to be selected as a director. It appears that no shareholder nominated a person to join the director selection process in the Annual General Meeting of Shareholders 2022.

The meeting attendance of the Risk Management Committee is as follows:

No.	Name – Surname	Audit Committee Meeting Year 2021 (meeting attendance/ all meetings)
1	Mr. Teeranut Thangsatapornpong	1/1
2	Mr. Suksan Yasasin	1/1
3	Mrs. Pim Pattamasing Na Ayuthaya	1/1
4	Mr. Seksan Rangsiyeranon	1/1
5	Mr. Nattapol Thipchatchawanwong	1/1
6	Mr. Kittit Tungsiwong	1/1

Performance of the Risk Management Committee

The Risk Management Committee consists of 6 members, with the chairman being an Independent Director. The Risk Management Committee has performed its duties in accordance with best practices and principles of good governance. In 2021, the Risk Management Committee held a total of 1 meeting covering the following matters:

1. Follow up on risk management results for the year 2021 and provide advise to the Risk Management Working Group to improve the Company's risk management to be appropriate and effective. In addition, risk management was reviewed in accordance with the risk management policy to propose to the Audit Committee for acknowledgment.
2. Assess risk management results in accordance with established policies to be efficient and effective.
3. Improve risk management and take action to ensure that risk management is adequate and appropriate and is able to manage risks to an acceptable level along with the continuous implementation of the risk management.

The meeting attendance of the Corporate Governance Committee is as follows:

No.	Name – Surname	Audit Committee Meeting Year 2021 (meeting attendance/ all meetings)
1	Mr. Teeranut Thangsatapornpong	1/1
2	Mr. Suksan Yasasin	1/1
3	Mrs. Pim Pattamasing Na Ayuthaya	1/1

Performance of the Corporate Governance Committee

The Corporate Governance Committee consists of 3 members, with the chairman being an Independent Director. The Corporate Governance Committee is responsible for developing and promoting compliance with the principles of good corporate governance to meet international standards and to be accepted by shareholders, investors, regulators and other stakeholders. In 2021, the Executive Committee held a total of 1 meeting.

The meeting attendance of the Executive Committee is as follows:

No.	Name – Surname	Audit Committee Meeting Year 2021 (meeting attendance/ all meetings)
1	Mr. Suksan Yasasin	13/13
2	Mr. Seksan Rangsiyeranon	12/13
3	Mrs. Pim Pattamasing Na Ayuthaya	13/13
4	Mr. Kittit Tungsiwong	13/13
5	Mr. Nattapol Thipchatchawanwong	13/13
6	Ms. Naowarat Sangkrot	13/13

Performance of the Executive Committee

The Executive Committee consists of 3 Executive Directors and 1 Non-Executive Director. The Executive Committee has performed duties to supervise the operations in accordance with the objectives and goals set by the Board of Directors. In 2021, the Executive Committee held a total of 13 meetings, covering the following matters:

1. Consider and establish a policy, business strategy and operating plan including the management structure and approval powers of the Company to propose to the Board of Directors.
2. Consider the annual budget to propose to the Board of Directors and control the disbursement of budgets to be in accordance with the approval of the Board of Directors.
3. Control, supervise and monitor the Company's performance to be in accordance with the policies, goals, business plans, business strategy, the set budget and various administrative powers as approved by the Board of Directors to be efficient and conducive to business conditions and report the operating results to the Board of Directors.
4. Consider and approve the operations that are normal business transactions of the Company. The credit limit for each transactions is in accordance with the Approval Authority Table approved by the Board of Directors.
5. Consider the organizational structure that is suitable for the Company's operations to propose to the Board of Directors for approval.

9

Internal Control and Connected Transactions

9.1 Internal Control

Good internal control system is significant for listed companies. A good internal control system is able to help prevent, manage, and handle various risks or damages that may occur to the Company and stakeholders. Therefore, the Company places great emphasis on having a good internal control system and in accordance with the principles of good corporate governance. The Company has adopted a global internal control (COSO 2013) as a standard and adapted them to suit the Company environment as well as appointed the third party to assist in the review of the Company's internal control. The operations started on 1 September 2015 to ensure that the Company's internal control is sufficient and in accordance with the principles of good corporate governance.

In addition, the Board of Directors has assigned the Audit Committee to review the internal control and present it to the Board of Directors to monitor the internal control in various fields to be sufficient, suitable and effective for business operations. This includes resources implementation, property maintenance, risk prevention and mitigation, potential damages prevention and control and financial reports preparation that are accurate and reliable as well as in compliance with the laws, rules and regulations related to the Company's business operations. There shall also be the preparation of employee ethics, determination of disciplinary action, appropriate channels and procedures for complaints acceptance.

Supervision of Internal Control Systems and Risk Management

The supervision of business operations and the adequacy of the Company's internal control system are under the supervision of the Board of Directors. The Board of Directors assigns the Audit Committee to take full responsibility in the supervision of the internal control system and the risk management in accordance with the following important criteria:

1. The Board of Directors supervises the risk management and internal control system of the Company by appointing and assigning the Audit Committee to take full responsibility in risk management and control according to their duties and responsibilities. The Company's risk management and control guidelines are carried out under the internal control policy, corporate governance policy and risk management.
2. The Audit Committee independently performs the duties in assessing the sufficiency and appropriateness of the internal control system, which is determined and supervised by the Executive Committee including the efficiency of the audit process. The Company's Audit Committee has annually reviewed the sufficiency of internal control. There are the reviews of the policies and guidelines for the internal audit work of the Internal Audit, the supervision of the suitability of the internal control system and the adequacy of the internal control

and audit system. This is to ensure that the Company operates in accordance with the legal requirements. The Audit Committee will report the audit results to the Board of Directors for consideration.

3. The Company has continually developed information systems to improve the quality of information and to communicate information effectively including the information technology risk management. The information security policy of information technology systems has been established to supervise and operate information technology to be appropriate and sufficient.
4. The Company has monitored and evaluated internal control results by reporting the defects in the internal control system to the responsible person to establish measures for corrective action in a timely manner. The results of the review of the operations in accordance with the internal control are required to report to Senior Management, Audit Committee and the Board of Directors regularly.

Cases where the Opinion of the Audit Committee is Different from the Opinion of the Board of Directors.

In 2021, the Company has 4 Audit Committee meetings with the attendees consisting of Chairman of the Audit Committee, Secretary of the Audit Committee, Internal Auditors, Auditors and Company Executives which the related agenda, opinions and resolution of the Audit Committee Meeting is presented to the Board of Directors meeting for every meeting. The Chairman of the Audit Committee and all members of the Audit Committee will attend every Board of Directors' meetings. However, the opinions on internal control that are presented to the Audit Committee and the Board of Directors for consideration shows that there is no issue that the opinion of the Audit Committee differs from the opinion of the Board of Directors or the auditor in any way.

Opinion of the Board of Directors on the Company's Internal Control System

At the Board of Directors' meeting, the Audit Committee and the 3 Independent Directors attended the meeting. The Board of Directors has considered and assessed the internal control system sufficiency of The Securities and Exchange Commission, Thailand (SEC), which is prepared according to the concept of The Committee of Sponsoring Organizations of the Tread way Commission or COSO as follows:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information & Communication
5. Monitoring Activities

The Board of Directors has an opinion that the Company has internal control that is sufficient and appropriate for its business operations and has enough personnel to effectively implement internal control.

Opinions on the Internal Control System, Internal Audit Results and Internal Auditor's Follow-Up Results

To ensure that the internal control system, risk management and corporate governance is effective and continually improved to help the Company achieve its goals. Therefore, the Company has appointed an internal auditor who is a third party to perform the duty of auditing the sufficiency of the internal control system, which is KPS Audit Company Limited ("Internal Auditor"), who is independent and report directly to the Audit Committee. Therefore, the internal auditors are required to report their audit results on a quarterly basis to the Audit Committee and the Company's management for the benefit of good corporate governance.

For the year 2021, KPS Audit Company Limited has prepared an audit plan for the year 2021 based on the Company's risks to propose to the Audit Committee to consider and approve the plan. The emphasis is placed on ensuring efficient and effective operations as well as being able to comply with the laws and regulations (Compliance) and present reports (Reporting) in an appropriate and reliable manner. This is to ensure that the internal controls are still operating efficiently and consistently. The internal audit has examined the important work systems, including the human resource management system, expense management system, business lending system, revenue management

system and litigation system including following up on outstanding issues every quarter. There are meetings with management every time which has received good cooperation and effective management. In 2021, the Company has successfully resolved most of the outstanding issues that are left.

At the Board of Directors' Meeting No. 7/2020 held on 11 November 2021, which included 3 Audit Committee members, all attended the meeting and has considered from the audit report that the audit of the internal control system is in accordance with the annual audit plan and that all audit results have been reasonably resolved by the management. There is an opinion that the Company's internal control system is sufficient and appropriate for business operations. The Company has established an internal control system and sufficient personnel to effectively implement the determined operating system with appropriate measures to prevent transactions that may cause conflicts of interest in term of benefits.

Internal Audit Comments

PricewaterhouseCoopers ABAS Company Limited, which is the Company's auditor had no further comments made on the Company's internal control system in 2021.

Head of Internal Audit of the Company

The Company has appointed KPS Audit Company Limited ("KPS") to be an internal auditor to examine issues related to the Company's internal control system by assigning Mr. Wiwat Limnantasin with a responsibility to perform such duties. The Audit Committee has considered the qualifications and decided that they are appropriate and sufficient to perform such duties.

The Audit Committee has considered the qualifications of KPS and Mr. Wiwat Limnantasin and has the opinion that the company and the auditor are appropriate enough to perform such duties due to the independence and long experience in internal auditing. Moreover, Mr. Wiwat Limnantasin is also a person who understands the activities and operations of the Company. The qualifications of the person holding the position of the head of the internal audit unit are as follows:

Topics	Outsider Internal Auditors
Internal Auditor	Mr. Wiwat Limnantasin (The person who in charge of Internal Audit) KPS Audit Company Limited
Position	Partner
Internal Auditor's Experiences	Approximately 26 years
Audit Committees' Opinion on the Internal Auditor's Experiences	Mr. Wiwat Limnantasin possess good knowledge as well as good experiences in conducting the Company's Internal Audit.
Responsibility	Conduct internal audits in various systems of the Company as assigned the Audit Committee assigned or deemed appropriate, including jointly present the Annual Internal Audit Plan to the Audit Committee for consideration.

9.2 Related and Connected Transactions

An overview of the related transactions that the Company entered into with persons who may have conflicts of interest

In 2021, the Company entered into various transactions with persons who may have conflicts of interest according to the definition of Notification of the Securities and Exchange Commission KorJor. 17/2551 Re:Determination of Definitions in the Notifications Relating to Issuance and offer for Sale of Securities dated 15 December 2008 and its amendments. This includes transactions between the group of companies, major shareholders, executives, controlling persons and/or persons who may have any conflicts of interest of the Company for the purpose of the Company's business operations.

1. Normal Business Transactions

Normal business transactions is a transaction that the Company and its subsidiaries have made in accordance with the nature of the main operating activities. Such transactions are necessary for the Company's and its subsidiaries' core business. Therefore, the Company and its subsidiaries will continue to conduct such transactions in the future.

2. Normal Business Support Transactions

Normal business support transactions is a transaction that the Company and its subsidiaries have made to support the main operating activities of the

Company and/or subsidiaries with general commercial conditions similar to the transactions between the third parties and/or having commercial conditions that shall not cause the Company and subsidiaries to lose benefits.

3. Transaction Relating to Assets or Service

Transaction relating to assets or service is a transaction that the Company and/or the Group has entered into a transaction in order to acquire or dispose of assets and rights, including giving or receiving services. However, before listing on the Market for Alternative Investment (MAI), the Company have not had a policy to enter into a transaction of the acquisition or disposition of assets that has high value or significant size. In addition, the Company has a policy to enter into a transaction of giving or receiving services without any conflict of interest.

4. Rental or lease of immovable property of not exceeding 3 years

Rental or lease of immovable property for not exceeding 3 years is a transaction that the Company rents a building from a person who may have conflicts of interest for the purpose of the operations of the business, for example as an office building or a document storage facility, including office building rental transactions between the Company and its subsidiaries. The Company expects to continue to enter into such transactions in the future.

5. Transaction Regarding Offer or Receipt of Financial Assistance

Transaction regarding offer or receipt of financial assistance is a transaction to manage the financial liquidity of Chayo Group Public Company Limited and its subsidiaries for the maximum benefit of the shareholders.

The Audit Committee Meeting No. 1/2021, dated 25 February 2021, has considered the policy on connected transactions of Chayo Group Public Company Limited and its subsidiaries and the policy on connected transaction was unanimously approved. The details are as follows.

1. Approval of a Transaction

(1) In case the value of a connected transaction is small, medium or large and its commercial conditions are

considered normal, the management is authorized to be the approver.

- (2) In case the value of a connected transaction is small or medium, but its commercial conditions are not considered normal, the Board of Directors of the Company will grant approval.
- (3) In case the value of a connected transaction is large, but its commercial terms are not considered normal, the general meeting of shareholders will be the approver.

2. The Criteria to Consider the Size of a Transaction

- (1) Small size means the transaction value is less than or equal to 1 million baht or less than or equal to 0.03% of net tangible asset value, whichever is higher.
- (2) Medium size means the transaction value is more than 1 million baht but less than 20 million baht or more than 0.03% but less than 3.00% of net tangible asset value, whichever is higher.
- (3) Large size means the transaction value is more than or equal to 20 million baht or more than 3.00% of net tangible asset value, whichever is higher.

3. Criteria to Consider Normal Commercial Transaction

- (1) The type of transaction made is for its normal business with regular main process or not, if such transaction is made for its normal business, the normal operating procedures will be implemented as with other trading partners. The following connected transactions are in accordance with the Company's normal business and is reasonable to support normal business and for the highest benefit of the Company and its subsidiary which have commercial conditions indifferent from those made with general counterparties or third parties.
- (2) Prices and conditions of the transaction are fair or not, if comparing to the transactions made with third parties who are no longer related will receive better prices and conditions or not.
- (3) Price determination based on general commercial conditions (According to the regulations of the Stock Exchange of Thailand). The transaction under general commercial conditions means the commercial condition having fair price and condition without transfer of benefits as follows:
 - Price and conditions which are similar to those Chayo Group Public Company Limited and/or its subsidiaries receive or offer to any third party;
 - Price and conditions which are similar to those connected persons and/or those with conflict of interest offer to any third party;
 - Price and conditions which Chayo Group Public Company Limited and/or its subsidiary is able to prove that business operators in similar nature offer to any third party.

Connected Transactions of the Company with Persons who may have Conflicts of Interest

Rental or lease of immovable property of not exceeding 3 years is a transaction that the Company and its subsidiaries rent an office building for the purpose of conducting business operations, for example, to use as an office building and document storage facility from Mr. Suksan Yasasin, a shareholder, director and Chief Executive Officer which holds 34.41% of the shares, and the Company expects to enter into such transactions continuously in the future. The details of the rental of the immovable property are as follows:

Company	Value (million baht)		The necessity and reasonableness of the transaction	Opinion of the Audit Committee
	2020	2021		
CHAYO	-	-	The Group has entered into a commercial building rental agreement with a person who may have conflicts of interest to use as a document storage with a rental rate of 20,000 baht per month in 2017 and 2018, or approximately 72 baht per square meter. The average general rental rate around Soi Ramintra 65 is 15,000 - 20,000 baht per blocks per month, or approximately 63-100 baht per square meter per month. This transaction has canceled the lease on 31 August 2018. The following transaction is considered a connected transaction in the type of rental or lease of immovable property with general commercial conditions.	Audit Committee had a resolution to agree that such connected transaction has no conflict of interest and the price is reasonable and has the best benefit to all stakeholders.
Chayo AMC	-	-		
Chayo Property and Service	-	-		
Chayo AMC	0.17	0.17	The Group has entered into a commercial building rental agreement with a person who may have conflicts of interest to use as a document storage with a rental rate of 14,000 baht per month in 2020 and 2021, or approximately 72 baht per square meter. The average general rental rate around Soi Ramintra 65 is 15,000 - 20,000 baht per blocks per month, or approximately 63-100 baht per square meter per month. This transaction has canceled the lease on 1 September 2022. The following transaction is considered a connected transaction in the type of rental or lease of immovable property with general commercial conditions.	Audit Committee had a resolution to agree that such connected transaction has no conflict of interest and the price is reasonable and has the best benefit to all stakeholders.

Company	Value (million baht)		The necessity and reasonableness of the transaction	Opinion of the Audit Committee
	2020	2021		
CHAYO	0.25	0.30	The Group has entered into a commercial building rental agreement with a person who may have conflicts of interest to use as a back up working station (BCP Plan) with a rental rate of 25,000 baht per month in 2020 by comparing the rental fee of the commercial buildings nearby at the same location and the fee is around 23,000 baht (additional improvements is required) - 26,000 baht (ready to use) or 95.83 – 108.33 baht per square meter, which the Company rented 240 square meters. (a total 5 floors) 104.16 baht per square meter amounting to 24,999.84 baht, round up to a total of 25,000 baht. The following transaction is considered a connected transaction in the type of rental or lease of immovable property with general commercial conditions.	Audit Committee had a resolution to agree that such connected transaction has no conflict of interest and the price is reasonable and has the best benefit to all stakeholders.

Necessity and Reasonableness of Related Transactions

The Audit Committee has considered the following transactions in the table mentioned above and provided opinion that The aforementioned related transactions are transactions that are necessary reasonable with fair prices and conditions cause no damages to the Company.

Policies or Future Trends of Related Transactions and the Compliance with Obligations Specified by the Company in the Prospectus

Measures or Procedures Regarding the Approval of the Connected Transactions

If the Company has a necessity to make connected transactions with persons who may have conflicts of interest or have interests, the Company will allow the Audit Committee to provide opinions on the necessity and appropriateness of the transaction. In the event that the Audit Committee possess no expertise in considering such connected transactions, the Company will assign an independent expert or the Company's auditor to provide an opinion on the following connected transaction to be used for the decision of the Audit Committee and/or the Board of Directors and/or the shareholders as the case may. the individuals who may have conflicts of interest or have interests in the transaction will not have the right to vote in approving the following connected transaction. The Company's policies in making connected transactions are classified by the types of transactions as follows:

- Normal business transactions and normal business support transactions, such transactions shall be made under general commercial conditions and fair prices and cause no transfer of benefits which is comparable to transactions between the company and the third parties, or transactions between persons who may have conflicts of interest with the third parties or transactions made in the same manner with other operators in the same industry. The Company has established a policy for the Audit Committee to consider and provide opinions on the reasons and necessity of such transactions on a quarterly basis

and will comply with the law and regulations of Securities and Exchange Act, notifications, orders or requirements of the Office of the Securities and Exchange Commission, Thailand and the Stock Exchange of Thailand, including compliance with the disclosure requirements of connected transactions.

- Other transactions other than normal business transactions and normal business support transactions, such as normal business transactions and normal business support transactions without general commercial conditions, Transaction regarding rental or lease of immovable property or transactions related to the sale of assets or transaction regarding offer or receipt of financial assistance, etc. The Company has established a policy for the Audit Committee to consider and provide opinions on the reasons and the necessity of such transactions and will comply with the law and regulations on Securities and Exchange, notifications, orders or requirements of The Securities and Exchange Commission, Thailand and The Stock Exchange of Thailand. This includes the compliance with the requirements of the disclosure of connected transactions and the acquisition or disposition of important assets of the Company. The Company will disclose such connected transactions in the Annual Registration Statement 2021 (Form 56-1 One Report) and notes to the financial statements that have been audited by the Company's auditors.
- In addition, if any transactions that are not considered as normal transactions between the 2 parties, this shall be presented to the Audit Committee for consideration and allow the Board of Directors to consider and approve in principle before entering into the transaction. This is due to the Company may make connected transactions with directors, executives or related persons in the future. Therefore, the Company has granted approval in principle to allow the Company to conduct such transactions, if such transactions are conducted under a commercial agreement in the same way that a sensible person would do so with a normal counterparty under the same circumstances with the bargaining power in trading without the influence of being the director, executive or related person.

Future Trend or Policy of Connected Transactions

The Company expects that in the future, the Company may still have conducted the connected transactions with individuals and legal entities that may have conflicts of interest with the Company. The connected transactions shall be transactions that are necessary and beneficial to the Company. The future trend of the connected transactions will involve normal business support transactions.

Transaction regarding offer or receipt of financial assistance from the major shareholder of the Company shall occur according to the necessity of conducting business. The Company has established a policy to provide sufficient sources of funds for its business operations, in which the Company has been listed on the stock exchange. The Company will mainly use the funds received from fundraising and borrowing from financial institutions for its business operations without the need to seek financial assistance from the shareholders again. The Board of Directors is of the opinion that this is no longer necessary as the Company is in the process of negotiating with financial institutions regarding such conditions.

However, if there is any connected transaction with a person or juristic person who may have conflicts of interest, the Company shall comply with the Securities and Exchange Act, regulations, notifications and orders of the Capital Market Supervisory Board. The Securities and Exchange Commission, Thailand and the Stock Exchange of Thailand and The Stock Exchange of Thailand.

Reasons that persons who may have conflicts of interest holding shares in subsidiaries and associated companies exceeding 10% instead of directly holding shares of the Company.

- None -

Part

3

Financial Statements



CHAYO GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2021

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 and the separate financial statements present fairly, in all material respects, the consolidated financial position of Chayo Group Public Company Limited (the Company) and its subsidiaries (the Group) and separate financial position of the Company as at 31 December 2021, 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 (TFRS).

What I have audited

The consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2021;
- 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 significant accounting policies and other explanatory information.

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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions 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 matters	How my audit addressed the key audit matters
<p><i>Interest income from loans to non-performing assets</i></p> <p>Referring to Note 5.21 to the financial statements for Accounting policies - Revenue recognition, interest income from loans to non-performing assets contributed 79.66% to the Group's total revenues. The Group recognises interest income from loans to 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 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 that management used to recognise interest income from loans to non-performing assets. I also assessed the appropriateness of the principle with the general practice of 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 estimated cash flows and effective interest rates, as well as related factors used to estimate cash flows and the effective interest rate at the acquisition date. This included assessing the appropriateness of factors affecting 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 to non-performing assets. In addition, I tested a sample of repayments for loans to non-performing assets.</p> <p>From the above procedures, I found no material errors.</p>
<p><i>Allowance for expected credit losses of loans to non-performing assets</i></p> <p>As at 31 December 2021, total gross loans to non-performing assets balance reported in the consolidated financial statements and the separate financial statements were Baht 3,123.79 million and Baht 373.51 million respectively. The allowances for expected credit losses were Baht 267.80 million and Baht 39.01 million, which represents 8.57% and 10.44% of loans to non-performing assets in the consolidated financial statements and the separate financial statements, respectively.</p> <p>Referring to Note 5.6 to the financial statements for Accounting policies - Loans to non-performing assets, The Group recognised loss on impairment of loans to non-performing assets when it anticipated that discounted cash flows for the present values of receivables were lower than the carrying value.</p> <p>I focussed on auditing this area because it required management's significant judgment to determine the assumptions used to estimate the allowance for expected credit losses, which are material to the consolidated financial statements and separate financial statements.</p>	<p>I understood the principle that management used to recognise the allowance for expected credit losses of loans to non-performing assets.</p> <p>I assessed individual credit on a loan samples and the reasonableness of the assumptions for the cash flow forecasts prepared by management by comparing with the historical results of each type of loan. For cash flows forecasts based on realisation of collateral, I agreed the collateral valuation to the current valuation report prepared by independent valuers. I recalculated ECL for exposures assessed individually.</p> <p>I involved the IT specialist in areas such as reviewing the appropriateness of the reliability of loan information in the system and system calculation accuracy.</p> <p>From the above procedures, I found that the assumptions used to estimate the allowance for the expected credit losses are reasonable according to the supporting evidence.</p>

Other information

The directors are 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 the director for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine 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, the directors are responsible for assessing the Group's 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 the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's 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's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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

24 February 2022

Chayo Group Public Company Limited

Statements of Financial Position

As at 31 December 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	10	1,332,204,275	708,199,180	496,523,204	547,917,867
Restricted deposits at financial institutions - current	11	500,000	500,000	500,000	500,000
Financial assets measured at amortised cost	13	1,486,883	1,570,108	1,216,818	1,303,008
Trade and other receivables	12	46,377,511	25,580,699	174,228,369	91,165,593
Inventory	14	1,087,723	1,146,147	-	-
Short-term loans to related parties	37.5	-	-	2,093,799,900	1,321,200,100
Deposit for purchasing loans to non-performing assets	15	71,300,826	70,035,357	-	-
Current portion of loan receivables	16	335,850,463	60,992,991	-	-
Other current assets		21,009,485	8,568,074	19,273,075	7,879,845
Total current assets		1,809,817,166	876,592,556	2,785,541,366	1,969,966,413
Non-current assets					
Restricted deposits at financial institutions - non-current	11	8,915,080	8,723,362	1,725,208	1,611,680
Loans to non-performing assets, net	17	2,855,988,012	1,692,878,187	334,502,985	110,738,994
Loan receivables	16	2,744,893	-	-	-
Investments in subsidiaries	18	-	-	545,149,973	300,449,973
Investment properties, net	19	12,496,315	7,836,466	23,340,329	9,217,166
Foreclosed assets, net	20	332,826,954	188,009,951	-	-
Property, plant and equipment, net	21	56,645,225	32,591,375	26,975,967	20,488,292
Intangible assets, net	22	2,661,899	2,709,863	2,090,476	1,661,538
Deferred tax assets	23	22,581	2,919	-	-
Other non-current assets		7,758,500	1,501,000	716,500	989,000
Total non-current assets		3,280,059,459	1,934,253,123	934,501,438	445,156,643
Total assets		5,089,876,625	2,810,845,679	3,720,042,804	2,415,123,056

The note to financial statements 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 2021

		Consolidated		Separate	
		financial statements		financial statements	
	Notes	2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other payables	24	82,438,418	43,472,067	36,976,721	22,562,961
Current portion of lease liabilities		1,133,149	901,627	567,760	652,315
Current portion of long-term borrowings					
from a financial institution	25	28,757,975	31,824,972	19,990,000	-
Current portion of debentures	25	298,132,847	297,741,986	298,132,847	297,741,986
Short-term loans from related parties	37.6	-	13,000,000	-	-
Short-term borrowings from others	25	850,000	-	-	-
Bills of exchange	25	-	119,565,119	-	119,565,119
Income tax payable		7,603,900	349,550	152,706	-
Other current liabilities		9,581,995	9,666,226	3,385,280	2,247,436
Total current liabilities		428,498,284	516,521,547	359,205,314	442,769,817
Non-current liabilities					
Lease liabilities, net		5,109,783	2,430,917	3,170,767	2,430,917
Long-term borrowings from a financial institution	25	22,707,614	38,805,133	9,760,411	-
Debentures	25	1,118,283,827	1,082,392,468	1,118,283,827	1,082,392,468
Employee benefit obligations	26	8,601,293	7,727,684	7,595,772	7,034,878
Deferred tax liabilities	23	48,567,419	16,281,157	1,552,668	248,100
Other non-current liabilities		121,000	121,000	245,000	245,000
Total non-current liabilities		1,203,390,936	1,147,758,359	1,140,608,445	1,092,351,363
Total liabilities		1,631,889,220	1,664,279,906	1,499,813,759	1,535,121,180

The note to financial statements 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 2021

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	27				
Authorised share capital					
1,287,347,292 ordinary shares at					
a par value of Baht 0.50 each		643,673,646		643,673,646	
(2020: 936,597,443 ordinary shares at					
a par value of Baht 0.50 each)			468,298,722		468,298,722
Issued and paid-up share capital					
961,950,267 ordinary shares at					
paid-up, Baht 0.50 each		480,975,134		480,975,134	
(2020: 705,598,129 ordinary shares at					
paid-up, Baht 0.50 each)			352,799,065		352,799,065
Share premium, net		1,522,611,805	454,166,376	1,522,611,805	454,166,376
Discount from business combinations					
under common control		(9,678,120)	(9,678,120)	-	-
Transaction cost from increase of subsidiary's equity		(3,885,750)	-	-	-
Shares to be issued	28	92,417,459	-	92,417,459	-
Retained earnings					
Appropriated					
Legal reserve	29	17,522,975	12,583,811	17,522,975	12,583,811
Unappropriated		487,013,366	320,548,606	106,701,672	60,452,624
Equity attributable to owners of the parent		2,586,976,869	1,130,419,738	2,220,229,045	880,001,876
Non-controlling interests		871,010,536	16,146,035	-	-
Total equity		3,457,987,405	1,146,565,773	2,220,229,045	880,001,876
Total liabilities and equity		5,089,876,625	2,810,845,679	3,720,042,804	2,415,123,056

The note to financial statements 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 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Interest income	31	655,454,987	424,795,663	73,089,108	10,221,442
Services income from debt collection service	37.1	40,112,269	51,324,636	21,136,698	29,159,355
Revenue from sales		24,820,321	2,997,185	-	-
Costs of rendering services and managing non-performing assets	33, 37.2	(156,209,351)	(115,422,724)	(21,227,983)	(18,578,894)
Costs of goods sold	14, 33	(21,166,225)	(1,902,148)	-	-
Gross profit		543,012,001	361,792,612	72,997,823	20,801,903
Other income	32, 37.3	9,424,949	4,023,887	226,613,195	153,927,361
Gains on disposal of foreclosed assets		75,975,797	37,238,875	-	-
Administrative expenses	33	(70,050,328)	(67,985,166)	(48,560,942)	(42,332,912)
Expected credit loss		(177,800,209)	(87,057,664)	(39,007,814)	-
Finance costs	34	(112,801,316)	(52,701,608)	(109,718,965)	(49,324,789)
Profit before income tax		267,760,894	195,310,936	102,323,297	83,071,563
Income tax expense	35	(45,718,164)	(40,506,107)	(3,540,020)	(4,117,367)
Net profit for the year		222,042,730	154,804,829	98,783,277	78,954,196
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligations	26	-	(2,819,323)	-	(2,276,964)
Income tax relating to items that will not be reclassified subsequently to profit or loss	23	-	563,865	-	455,393
Total items that will not be reclassified subsequently to profit or loss		-	(2,255,458)	-	(1,821,571)
Items that will be reclassified subsequently to profit or loss					
Change in value of available-for-sale investments		-	-	-	-
Income tax relating to items that will be reclassified subsequently to profit or loss		-	-	-	-
Total items that will be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive expense for the year, net of tax			(2,255,458)		(1,821,571)
Total comprehensive income for the year		222,042,730	152,549,371	98,783,277	77,132,625
Profit attributable to:					
Owners of the parent		218,998,989	155,353,886	98,783,277	78,954,196
Non-controlling interests		3,043,741	(549,057)	-	-
		222,042,730	154,804,829	98,783,277	78,954,196
Total comprehensive income attributable to:					
Owners of the parent		218,998,989	153,098,428	98,783,277	77,132,625
Non-controlling interests		3,043,741	(549,057)	-	-
		222,042,730	152,549,371	98,783,277	77,132,625
Earnings per share					
Weighted-average ordinary shares (shares)	36	911,511,184	776,150,105	911,511,184	776,150,105
Basic earnings per share (Baht per share)		0.2403	0.2002	0.1084	0.1017
Diluted earnings per share (Baht per share)		0.2196	0.1947	0.0991	0.0990

The note to financial statements are an integral part of these consolidated and separate financial statements.

Chayo Group Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2021

Consolidated financial statements										
Notes	Attributable to owners of the parent									
	Issued and paid-up share capital	Share premium, net	Discount from business combinations under common control	Transaction cost from increase of subsidiaries' equity	Shares to be issued	Retained earnings		Total owners of the parent	Non-controlling interests	Total equity
	Baht	Baht	Baht	Baht	Baht	- legal reserve	Unappropriated	Baht	Baht	Baht
Opening balance as at 1 January 2021	352,799,065	454,166,376	(9,678,120)	-	-	12,583,811	320,548,606	1,130,419,738	16,146,035	1,146,565,773
Changes in equity for the year										
Proceeds from a subsidiary's ordinary shared issued	-	-	-	-	-	-	-	-	138,000,010	138,000,010
Change in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	(3,000,000)	(3,000,000)
Proceeds from a subsidiary's preferred shared issued	-	-	-	-	-	-	-	-	720,000,000	720,000,000
Increase from exercise warrants	27, 28 101,660,919	1,068,445,429	-	-	92,417,459	-	-	1,262,523,807	-	1,262,523,807
Legal reserve	29 -	-	-	-	-	4,939,164	(4,939,164)	-	-	-
Stock dividend	27, 30 26,515,150	-	-	-	-	-	(42,831,173)	(16,316,023)	-	(16,316,023)
Dividend	30 -	-	-	-	-	-	(4,763,892)	(4,763,892)	-	(4,763,892)
Cost incurred from increase of subsidiary's equity during the period	-	-	-	(3,885,750)	-	-	-	(3,885,750)	(3,179,250)	(7,065,000)
Total comprehensive income for the year	-	-	-	-	-	-	218,998,989	218,998,989	3,043,741	222,042,730
Closing balance as at 31 December 2021	<u>480,975,134</u>	<u>1,522,611,805</u>	<u>(9,678,120)</u>	<u>(3,885,750)</u>	<u>92,417,459</u>	<u>17,522,975</u>	<u>487,013,366</u>	<u>2,586,976,869</u>	<u>871,010,536</u>	<u>3,457,987,405</u>
Opening balance as at 1 January 2020	314,999,986	454,166,376	(9,678,120)	-	-	8,636,100	219,231,159	987,355,501	14,595,085	1,001,950,586
Changes in equity for the year										
Subsidiary establishment during the year	27 -	-	-	-	-	-	-	-	2,100,007	2,100,007
Legal reserve	29 -	-	-	-	-	3,947,711	(3,947,711)	-	-	-
Stock dividend	30 37,799,079	-	-	-	-	-	(43,049,386)	(5,250,307)	-	(5,250,307)
Dividend	30 -	-	-	-	-	-	(4,783,884)	(4,783,884)	-	(4,783,884)
Total comprehensive income for the year	-	-	-	-	-	-	153,098,428	153,098,428	(549,057)	152,549,371
Closing balance as at 31 December 2020	<u>352,799,065</u>	<u>454,166,376</u>	<u>(9,678,120)</u>	<u>-</u>	<u>-</u>	<u>12,583,811</u>	<u>320,548,606</u>	<u>1,130,419,738</u>	<u>16,146,035</u>	<u>1,146,565,773</u>

The note to financial statements are an integral part of these consolidated and separate financial statements.

Chayo Group Public Company Limited
Statements of Changes in Equity (Cont'd)
For the year ended 31 December 2021

Separate financial statements							
				Retained earnings			
	Issued and paid-up share capital	Share premium, net	Shares to be issued	Appropriated - legal reserve	Unappropriated	Total equity	
Notes	Baht	Baht	Baht	Baht	Baht	Baht	
Opening balance as at 1 January 2021 - restated	352,799,065	454,166,376	-	12,583,811	60,452,624	880,001,876	
Changes in equity for the year							
Increase from exercise warrants	27, 28	101,660,919	1,068,445,429	92,417,459	-	-	1,262,523,807
Legal reserve	29	-	-	-	4,939,164	(4,939,164)	-
Stock dividend	27, 30	26,515,150	-	-	-	(42,831,173)	(16,316,023)
Dividend	30	-	-	-	-	(4,763,892)	(4,763,892)
Total comprehensive income for the year		-	-	-	-	98,783,277	98,783,277
Closing balance as at 31 December 2021	480,975,134	1,522,611,805	92,417,459	17,522,975	106,701,672	2,220,229,045	
Opening balance as at 1 January 2020	314,999,986	454,166,376	-	8,636,100	35,100,980	812,903,442	
Changes in equity for the year							
Legal reserve	29	-	-	-	3,947,711	(3,947,711)	-
Stock dividend	27, 30	37,799,079	-	-	-	(43,049,386)	(5,250,307)
Dividend	30	-	-	-	-	(4,783,884)	(4,783,884)
Total comprehensive income for the year		-	-	-	-	77,132,625	77,132,625
Closing balance as at 31 December 2020	352,799,065	454,166,376	-	12,583,811	60,452,624	880,001,876	

The note to financial statements are an integral part of these consolidated and separate financial statements.

Chayo Group Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		267,760,894	195,310,936	102,323,297	83,071,563
Adjustments:					
Depreciation and amortisation		6,901,363	6,466,124	4,116,395	3,437,302
Expected credit loss		177,800,209	87,057,664	39,007,814	-
Gains on disposal of property, plant and equipment	32	(1,571,128)	-	3,952	-
Gains on disposal of foreclosed assets		(75,975,797)	(37,238,875)	-	-
Dividend income	30	-	-	(80,000,000)	(62,780,000)
Changes in financial assets measured at fair value through profit or loss	32	-	(379,360)	-	(379,360)
Interest income	31	(655,454,987)	(424,795,663)	(73,089,108)	(10,221,442)
Other interest income	32	(3,643,139)	(1,503,416)	(108,281,799)	(55,965,802)
Employee benefit expenses	26	873,609	1,175,279	560,894	1,091,588
Finance costs	34	112,801,316	52,701,608	109,718,965	49,324,789
Changes in working capital					
Trade and other receivables		(20,741,312)	9,793,349	5,010,216	(4,321,492)
Inventory		58,424	(1,146,147)	-	-
Deposit for purchasing loans to non-performing assets		(1,265,469)	(51,607,922)	-	-
Loan receivables		(275,074,812)	(18,830,497)	-	-
Other current assets		(17,205,755)	(8,248,941)	(13,475,687)	(6,851,730)
Loans to non-performing assets		(1,131,898,034)	(585,329,507)	(216,085,748)	(103,058,124)
Foreclosed assets		89,062,903	88,373,428	-	-
Other non-current assets		(6,257,500)	856,595	272,500	1,247,595
Trade and other payables		22,566,758	(186,844,411)	(1,902,263)	2,694,691
Other current liabilities		665,769	3,335,253	1,137,844	(711,660)
Other non-current liabilities		-	31,000	-	31,000
Cash (used in) generated from operations		(1,510,596,688)	(870,823,503)	(230,682,728)	(103,391,082)
Other interest received		3,531,897	1,503,416	20,184,725	3,717,790
Interest received		286,011,325	187,903,114	26,403,051	2,540,572
Interest paid		(103,639,727)	(66,717,478)	(101,799,133)	(63,215,069)
Income tax paid		(1,431,774)	(17,527,543)	-	(2,369,620)
Net cash (used in) generated from operating activities		(1,326,124,967)	(765,661,994)	(285,894,085)	(162,717,409)

The note to financial statements are an integral part of these consolidated and separate financial statements.

Chayo Group Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2021

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Decrease in restricted deposits at financial institutions		1,653	670,090	1,455	684,588
Dividens received	30	-	-	80,000,000	62,780,000
Payments on short-term investments		-	-	-	-
Payments on short-term loans to related parties	37.5	-	-	(1,034,799,900)	(733,000,000)
Proceeds from short-term loans to related parties	37.5	-	-	262,200,100	100,000,000
Purchases of property, plant and equipment	21	(3,193,905)	(878,102)	(2,496,198)	(760,128)
Proceeds from property, plant and equipment	21	2,395,435	-	51,075	-
Purchases of investment properties	19	(27,190,000)	(40,187)	(22,000,000)	-
Purchases of intangible assets	22	(770,000)	(1,315,430)	(720,000)	(1,250,430)
Payments on financial assets measured at amortised cost		-	(699,517)	-	(697,294)
Proceeds from financial assets measured at fair value through profit or loss		-	100,522,857	-	100,522,857
Payments on investments in subsidiaries	18	(3,000,000)	-	(244,700,000)	(77,449,983)
Net cash (used in) generate from from investing activities		(31,756,817)	98,259,711	(962,463,468)	(549,170,390)
Cash flows from financing activities					
Proceeds from long-term borrowings from financial institutions	25	50,000,000	40,550,000	30,000,000	-
Payments on long-term borrowings from financial institutions	25	(69,141,925)	(26,579,905)	-	-
Proceeds from short-term borrowings from financial institutions	25	35,000,000	-	35,000,000	-
Payments on short-term borrowings from financial institutions	25	(35,000,000)	-	(35,000,000)	-
Proceeds from short-term loans to related persons	37.6	2,000,000	13,000,000	-	-
Payments on short-term loans to related persons	37.6	(15,000,000)	-	-	-
Proceeds from short-term borrowings from others		100,000	-	-	-
Payments on lease liabilities		(4,866,121)	-	(897,025)	-
Proceeds on bills of exchange	25	-	120,000,000	-	120,000,000
Payments of bills of exchange	25	(120,000,000)	(120,000,000)	(120,000,000)	(120,000,000)
Proceeds on debentures	25	1,130,100,000	1,100,000,000	1,130,100,000	1,100,000,000
Payments of debentures	25	(1,100,000,000)	(105,000,000)	(1,100,000,000)	(105,000,000)
Proceeds from exercise warrants		1,262,523,807	-	1,262,523,807	-
Payments on finance lease liabilities		-	(3,407,592)	-	(2,316,768)
Proceeds from issuance of subsidiaries' ordinary shares		138,000,010	2,100,007	-	-
Proceeds from issuance of preferred shares of subsidiary		720,000,000	-	-	-
Dividends paid to shareholders	30	(4,763,892)	(4,783,884)	(4,763,892)	(4,783,884)
Payment for transaction cost from increase of subsidiary's equity		(7,065,000)	-	-	-
Net cash generated from financing activities		1,981,886,879	1,015,878,626	1,196,962,890	987,899,348
Net increase in cash and cash equivalents		624,005,095	348,476,343	(51,394,663)	276,011,549
Cash and cash equivalents at the beginning of the year		708,199,180	359,722,837	547,917,867	271,906,318
Cash and cash equivalents at the end of the year		1,332,204,275	708,199,180	496,523,204	547,917,867
Non-cash transactions:					
The significant non-cash transactions occurred during the years ended 31 December 2021 and 2020 are as follows:					
Purchases of property, plant and equipment under hire purchases agreement		5,293,000	5,400,000	-	5,400,000
Reclassify land and building from investment properties		21,533,745	-	7,088,000	-
Closes account from debt settlement to foreclosed assets		157,904,109	163,922,442	-	-
Stock dividend		42,831,173	37,799,079	42,831,173	37,799,079

The note to financial statements are an integral part of these consolidated and separate financial statements.

1 General information

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

For reporting purpose, the Company and its subsidiaries are referred to as "the Group". The Group has operated with its objective to provide services relating to debt collection, managing non-performing assets from purchases, transferring secured and non-secured non-performing assets from the financial institutions and credit facility companies, providing call center services, loan, and buy and sale of goods and or services.

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

On 22 March 2018, the Stock Exchange of Thailand endorsed the listing of the Company's ordinary shares in the Market for Alternative Investments (MAI) and on 25 December 2020, the Stock Exchange of Thailand endorsed the listing of the Company's ordinary shares in the Stock Exchange of Thailand (SET). The Company's ticker symbol is "CHAYO".

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 24 February 2022.

2 Significant events during the current year

The outbreak of Coronavirus Disease 2019 ("COVID-19 pandemic") in early 2020 has caused the economic slowdown which affected the Group's the new credit amount approvals and debt collections for the year ended 31 December 2021. Therefore, the Group has issued stricter policies for new credit approvals. Existing account receivables also have affected from their repayment ability; however, the Group has closely tracked the status of accounts receivable. Moreover, management closely monitors the progress of the situation and assesses the financial impacts on the value of assets and contingent liabilities on a regular basis with additional guidelines and strategies to continually cope with the problems which may occur.

The Group has developed guidelines for financial aids during the COVID-19 pandemic in accordance with Bank of Thailand relief measures phase 3 starting from January 2021. The measurement is to relief principal repayment and interest according to the Group's conditions and terms.

As at 31 December 2021, the Group has receivables who participated in relief measures phase 3 total 409 receivables.

From the aforementioned situation, the Group applies the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19).

Various factors remain uncertain, especially the period for economic to recovery. Therefore, the Group is still in the process of monitoring the situation closely to assist debtor. The Group also assesses the impact that is expected to occur, especially on expected fair value of assets after the relief measures are ended.

3 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued 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 TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 8.

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.

4 New and amended financial reporting standards

4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 and have significant impacts to the Group

a) **Revised Conceptual Framework for Financial Reporting** added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

b) **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

c) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

4.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and have significant impacts to the Group

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group and the Company.

a) **Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business** relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

5 Accounting policies

5.1 Accounting for 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.

5.2 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).

5.3 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.

5.4 Restricted deposits

Restricted deposits mean deposits with banks with restrictions on withdrawals.

5.5 Loan receivables

Receivables that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is recognised using the effective interest rate method and is presented as a separate line item in interest income.

The impairment of trade receivables is disclosed in Note 5.9 (e).

5.6 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 5-8 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 expected credit loss (if any).

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

5.7 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 5.9 (e).

5.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories for the Group is determined by the weighted average method and specific method. Cost of finished goods comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts and directly attributable costs in bringing the inventories to their present location and condition.

5.9 Financial asset

a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.

e) Impairment

The Group assesses expected credit loss on a forward-looking basis for its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment (and reversal of impairment) losses are recognised in profit or loss and included in administrative expenses.

Loan to non-performing assets is not required to consider the Significant Increase Credit Risk (SICR) because it is classified as Purchased or Originated Credit Impaired (POCI) financial assets measured at amortised cost with lifetime expected credit losses.

The Group assesses expected credit loss on a forward-looking macroeconomic information that is supportive and reasonable with unbiased and probability-weighted outcome by comparing between present value of expected future cash flow discounted with effective interest rate of loan to non-performing assets and carrying value of loan to non-performing assets as at reporting date and the expected credit loss can be both impairment gain or loss in statement of comprehensive income.

5.10 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.

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.

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

Depreciation on 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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5.11 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 or loss 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. Loss on impairment are recognised as expenses in the statements of comprehensive income.

5.12 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.

5.13 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.

5.14 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.

5.15 Leases

Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small office equipments.

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. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

5.16 Financial liabilities

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

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.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

5.17 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.

5.18 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.

5.19 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.

5.20 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.

5.21 Revenue recognition

Service income from debt collection is recognised as revenue provided that collectability of the consideration is probable 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 5-8 years since the date of acquired loans to non-performing assets.

Revenue from sale is recognise using fair value from selling goods net of value added tax. They are recognised in accordance with the provision of goods provided that collectability of the consideration is probable when the goods are delivered.

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.

5.22 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.

6 Financial risk management

6.1 Financial risk

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Management is responsible to carried out by the Group's management. The Group's policy includes areas such as foreign exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools for management.

6.1.1 Market risk

Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions, long-term loans to related parties, short-term borrowings, long-term borrowings and debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Group assesses that the interest rate risk is insignificant as the interests from financial assets and financial liabilities are not significantly different. However, the Group will use interest rate swap to management the risk when necessary.

Under the interest rate swaps, the Group agrees with the other parties to exchange, at specified interval, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement.

The Group and the Company does not apply hedge accounting.

Chayo Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

As at 31 December 2021 and 2020, financial assets and liabilities classified by types of interest rate are as follows;

Descriptions	Consolidated financial statements								
	2021								
	Fixed interest rates			Floating interest rates			Non-Interest bearing Baht	Total Baht	Average rate (%)
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
Financial assets									
Cash and cash equivalents	300,751	-	-	1,255,338,337	-	-	76,565,187	1,332,204,275	0.22%
Restricted cash	500,000	7,415,080	-	1,500,000	-	-	-	9,415,080	1.16%
Financial assets measured at amortised cost	1,486,883	-	-	-	-	-	-	1,486,883	0.74%
Trade and other receivables	-	-	-	-	-	-	46,377,511	46,377,511	-
Loan receivables	335,911,933	2,756,189	-	-	-	-	-	338,668,122	9.21%
Loans to non-performing assets	-	3,123,785,001	-	-	-	-	-	3,123,785,001	29.78%
Deposit for purchasing loans to non-performing assets	-	-	-	-	-	-	71,300,826	71,300,826	-
Other financial assets	-	-	-	-	-	-	2,962,325	2,962,325	-
Total financial assets	338,199,567	3,133,956,270	-	1,256,838,337	-	-	197,205,849	4,926,200,023	
Financial liabilities									
Trade and other payables	-	-	-	-	-	-	82,438,418	82,438,418	-
Lease liabilities	1,133,149	5,109,783	-	-	-	-	-	6,242,932	8.54%
Short-term loans from others	850,000	-	-	-	-	-	-	850,000	7.50%
Long-term borrowings from financial institutions	-	-	-	28,757,975	22,707,614	-	-	51,465,589	5.07%
Debentures	298,132,847	1,118,283,827	-	-	-	-	-	1,416,416,674	6.62%
Other financial liabilities	-	-	-	-	-	-	4,974,700	4,974,700	-
Total financial liabilities	300,115,996	1,123,393,610	-	28,757,975	22,707,614	-	87,413,118	1,562,388,313	

Chayo Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

Descriptions	Consolidated financial statements								
	2020								
	Fixed interest rates			Floating interest rates			Non-Interest bearing Baht	Total Baht	Average rate (%)
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
Financial assets									
Cash and cash equivalents	300,656	-	-	685,205,727	-	-	22,692,797	708,199,180	0.38%
Restricted cash	500,000	7,223,362	-	1,500,000	-	-	-	9,223,362	0.81%
Financial assets measured at amortised cost	1,570,108	-	-	-	-	-	-	1,570,108	0.90%
Trade and other receivables	-	-	-	-	-	-	25,580,699	25,580,699	-
Loan receivables	60,992,991	-	-	-	-	-	-	60,992,991	14.41%
Loans to non-performing assets	-	1,783,161,117	-	-	-	-	-	1,783,161,117	31.21%
Deposit for purchasing loans to non-performing assets	-	-	-	-	-	-	70,035,357	70,035,357	-
Other financial assets	-	-	-	-	-	-	1,769,750	1,769,750	-
Total financial assets	63,363,755	1,790,384,479	-	686,705,727	-	-	120,078,603	2,660,532,564	
Financial liabilities									
Trade and other payables	-	-	-	-	-	-	43,472,067	43,472,067	-
Lease liabilities	901,627	2,430,917	-	-	-	-	-	3,332,544	5.33%
Long-term borrowings from financial institutions	-	-	-	31,824,972	38,805,133	-	-	70,630,105	4.63%
Short-term loans from related parties	13,000,000	-	-	-	-	-	-	13,000,000	0.13%
Bills of exchange	119,565,119	-	-	-	-	-	-	119,565,119	5.36%
Debentures	297,741,986	1,082,392,468	-	-	-	-	-	1,380,134,454	5.00%
Other financial liabilities	-	-	-	-	-	-	3,198,200	3,198,200	-
Total financial liabilities	418,208,732	1,084,823,385	-	31,824,972	38,805,133	-	46,670,267	1,620,332,489	

Chayo Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

Descriptions	Separate financial statements							Total Baht	Average Rate (%)
	2021								
	Fixed interest rates			Floating interest rates			Non- Interest bearing Baht		
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
Financial assets									
Cash and cash equivalents	-	-	-	492,320,092	-	-	4,203,112	496,523,204	0.40%
Restricted cash	500,000	725,208	-	1,000,000	-	-	-	2,225,208	1.22%
Financial assets measured at amortised cost	1,216,818	-	-	-	-	-	-	1,216,818	0.39%
Trade and other receivables	-	-	-	-	-	-	174,228,369	174,228,369	-
Loans to non-performing assets	-	373,510,799	-	-	-	-	-	373,510,799	6.05%
Short-term loans to related parties	2,093,799,900	-	-	-	-	-	-	2,093,799,900	5.59%
Other financial assets	-	-	-	-	-	-	716,500	716,500	-
Total financial assets	2,095,516,718	374,236,007	-	493,320,092	-	-	179,147,981	3,142,220,798	
Financial liabilities									
Trade and other payables	-	-	-	-	-	-	36,976,721	36,976,721	-
Lease liabilities	567,760	3,170,767	-	-	-	-	-	3,738,527	7.12%
Long-term borrowings from financial institutions	-	-	-	19,990,000	9,760,411	-	-	29,750,411	0.04%
Debentures	298,132,847	1,118,283,827	-	-	-	-	-	1,416,416,674	6.62%
Other financial liabilities	-	-	-	-	-	-	1,938,200	1,938,200	-
Total financial liabilities	298,700,607	1,121,454,594	-	19,990,000	9,760,411	-	38,914,921	1,488,820,533	

Chayo Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

Descriptions	Separate financial statements							Non-Interest bearing Baht	Total Baht	Average Rate (%)
	2020									
	Fixed interest rates			Floating interest rates						
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht				
Financial assets										
Cash and cash equivalents	-	-	-	547,191,986	-	-	725,881	547,917,867	0.43%	
Restricted cash	500,000	611,680	-	1,000,000	-	-	-	2,111,680	0.13%	
Financial assets measured at amortised cost	1,303,008	-	-	-	-	-	-	1,303,008	0.49%	
Trade and other receivables	-	-	-	-	-	-	91,165,593	91,165,593	-	
Short-term loans to related parties	1,321,200,100	-	-	-	-	-	-	1,321,200,100	5.51%	
Other financial assets	-	-	-	-	-	-	1,008,750	1,008,750	-	
Total financial assets	1,323,003,108	611,680	-	548,191,986	-	-	92,900,224	1,964,706,998		
Financial liabilities										
Trade and other payables	-	-	-	-	-	-	22,562,961	22,562,961	-	
Lease liabilities	652,315	2,430,917	-	-	-	-	-	3,083,232	3.49%	
Bills of exchange	119,565,119	-	-	-	-	-	-	119,565,119	5.36%	
Debentures	297,741,986	1,082,392,468	-	-	-	-	-	1,380,134,454	5.00%	
Other financial liabilities	-	-	-	-	-	-	1,122,700	1,122,700	-	
Total financial liabilities	417,959,420	1,084,823,385	-	-	-	-	23,685,661	1,526,468,466		

6.1.2 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.

a) Security

For some trade receivables the Group may obtain security in the form of guarantees or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

b) Impairment of financial assets

The Group and the Company has 8 types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Restricted cash
- Trade and other receivables
- Short-term loans to related parties
- Debt investments carried at amortised cost
- Deposit for purchasing loans to non-performing assets
- Loan receivables
- Loans to non-performing assets

While financial assets are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial except loans to non-performing assets.

The reconciliations of loss allowances for trade receivables and loans to non-performing assets for the year ended 31 December 2021 and 2020 are as follows:

	Consolidated financial statements			
	Loss allowance measured at amount equal to			
	12 months expected credit losses Baht	Lifetime Expected credit losses Baht	Lifetime expected credit losses (credit-impaired financial assets) Baht	Total Baht
As of 1 January 2020	-	-	9,312,015	9,312,015
Increase in loss allowance recognised in profit or loss during the year	-	-	87,057,664	87,057,664
Less Closes account from debt settlement to foreclosed assets	-	-	(6,086,749)	(6,086,749)
	-	-	90,282,930	90,282,930
As of 31 December 2020				
Increase in loss allowance recognised in profit or loss during the year	72,765	-	177,727,443	177,727,443
Less Closes account from debt settlement to foreclosed assets	-	-	(213,384)	(213,384)
As of 31 December 2021	72,765	-	267,796,989	267,869,754

	Separate financial statements			
	Loss allowance measured at amount equal to			
	12 months expected credit losses Baht	Lifetime Expected credit losses Baht	Lifetime expected credit losses (credit-impaired financial assets) Baht	Total Baht
As of 1 January 2020	-	-	-	
Increase in loss allowance recognised in profit or loss during the year	-	-	39,007,814	39,007,814
As of 31 December 2021	-	-	39,007,814	39,007,814

There is no expected loss in the separate financial statement as at 31 December 2021.

The Group and the Company write-off trade receivables and loans to non-performing assets when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, a failure to make contractual payments or cannot be contacted for a period greater than 90 days after default.

Impairment losses on trade receivables and loans to non-performing assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Loans to related parties

Loans to related parties measured at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significant increased.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost include fixed deposits.

6.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 1,332,204,275 (2020: Baht 708,199,180) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

a) Financing arrangements

The Group has access to the following undrawn credit facilities as at 31 December 2021 and 2020 as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Floating rate				
Expiring within one year	MLR - 3.10, MLR - 0.25	MLR	MLR - 3.10, MLR - 0.25	-
- Bank loans	100,000,000	20,000,000	100,000,000	-
	100,000,000	20,000,000	100,000,000	-

b) Maturity of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- (a) all non-derivative financial liabilities; and
- (b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

For the year ended 31 December 2021

	Consolidated financial statements			
	On demand Baht	Within 1 year Baht	1 - 5 years Baht	Total Baht
Financial liabilities				
Trade and other payables	-	82,438,418	-	82,438,418
Lease liabilities	-	1,679,665	5,169,371	6,849,036
Short-term borrowings from others	850,000	-	-	850,000
Long-term borrowings from a financial institution	-	28,904,219	22,946,000	51,850,219
Bills of exchange	-	-	-	-
Debentures	-	300,000,000	1,130,100,000	1,430,100,000
Other financial liabilities	4,974,700	-	-	4,974,700
Total	5,824,700	413,022,302	1,158,215,371	1,577,062,373

For the year ended 31 December 2020

	Consolidated financial statements			
	On demand Baht	Within 1 year Baht	1 - 5 years Baht	Total Baht
Financial liabilities				
Trade and other payables	-	43,472,067	-	43,472,067
Lease liabilities	-	1,046,547	2,648,880	3,695,427
Short-term borrowings from others	13,000,000	-	-	13,000,000
Long-term borrowings from a financial institution	-	31,983,517	39,008,628	70,992,145
Bills of exchange	-	120,000,000	-	120,000,000
Debentures	-	300,000,000	1,100,000,000	1,400,000,000
Other financial liabilities	3,198,200	-	-	3,198,200
Total	16,198,200	496,502,131	1,141,657,508	1,654,357,839

For the year ended 31 December 2021

Financial liabilities

	On demand Baht	Within 1 year Baht	1 - 5 years Baht	Total Baht
Trade and other payables	-	36,976,721	-	36,976,721
Lease liabilities	-	1,028,442	3,104,216	4,132,658
Long-term borrowings from a financial institution	-	20,040,000	9,960,000	30,000,000
Bills of exchange	-	-	-	-
Debentures	-	300,000,000	1,130,100,000	1,430,100,000
Other financial liabilities	1,938,200	-	-	1,938,200
Total	1,938,200	358,045,163	1,143,164,216	1,503,147,579

For the year ended 31 December 2020

Financial liabilities

	On demand Baht	Within 1 year Baht	1 - 5 years Baht	Total Baht
Trade and other payables	-	22,562,961	-	22,562,961
Lease liabilities	-	794,664	2,648,880	3,443,544
Bills of exchange	-	120,000,000	-	120,000,000
Debentures	-	300,000,000	1,100,000,000	1,400,000,000
Total	1,122,700	443,357,625	1,102,648,880	1,547,129,205

Of the Baht 8.41 million disclosed in the 2021 borrowings time band '1-5 years', the Group is considering early repayment of Baht 51.85 million in the first quarter of the 2022 financial year (2020: Baht 70.99 million).

6.2 Capital management

6.2.1 Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- 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.

Consistent with others in the industry, the Group monitors capital based on the basis of the debt to equity and net interest bearing debt to equity ratios.

The Group has net debt and net interest bearing debt to equity ratio as at 31 December 2021 and 2020 as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Total debt	1,631,889,220	1,664,279,906	1,499,813,759	1,535,121,180
Equity (including non-controlling interests)	3,457,987,405	1,146,565,334	2,220,229,045	880,001,876
Debt to equity ratio (%)	47.19	145.15	67.55	174.45

The credit rating was unchanged and the interest-bearing debt ratios as at 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Net interest bearing debt	1,474,975,195	1,586,662,222	1,449,905,612	1,502,782,805
Equity (including non-controlling interests)	3,457,987,405	1,146,565,334	2,220,229,045	880,001,876
Net interest bearing debt to equity ratio (%)	42.65	138.38	65.30	170.77

The net debt to equity ratio decreased from 145.15% to 47.19% and net interest bearing debt decreased from 138.38% to 42.65% as the Group registered share capital by issuance of newly shares issued.

Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- Debt to equity ratio must be not more than 2.5:1, and
- the Company has to stay the status as listed company in The Stock Exchange of Thailand

The Group has complied with these covenants throughout the reporting period. As at 31 December 2021, the ratio of debt to equity ratio was 47.19% (2020: 145.15%).

Debenture covenants

Under the terms of the debenture, the Group is required to comply with the following financial covenants:

- net interest bearing debt to equity ratio must be not more than 2:1, and

The Group has complied with these covenants throughout the reporting period. As at 31 December 2021, the net interest bearing debt to equity ratio was 42.65% (2020: 138.38%).

7 Fair value

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.

The fair value measurement of financial assets and liabilities comply with the accounting policy which disclose on Notes 5.9 and 5.16.

Chayo Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

The following table presents financial assets and liabilities that are not measured at fair value.

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Financial assets								
Cash and cash equivalents	1,332,204,275	708,199,180	-	-	-	-	1,332,204,275	708,199,180
Restricted deposits at financial institutions	9,415,080	9,223,362	-	-	-	-	9,415,080	9,223,362
Financial assets measured at amortised cost	1,486,883	1,570,108	-	-	-	-	1,486,883	1,570,108
Trade and other receivables	-	-	46,377,511	25,580,699	-	-	46,377,511	25,580,699
Deposit for purchasing loan to non-performing assets	-	-	71,300,826	70,035,357	-	-	71,300,826	70,035,357
Loan Receivables	-	-	338,595,356	60,992,991	-	-	338,595,356	60,992,991
Loans to non-performing assets	-	-	-	-	2,855,988,012	1,692,878,187	2,855,988,012	1,692,878,187
Other financial assets	-	-	2,962,325	1,769,750	-	-	2,962,325	1,769,750
Total	1,343,106,238	718,992,650	459,236,018	158,378,797	2,855,988,012	1,692,878,187	4,658,330,268	2,570,294,634
Financial liabilities								
Trade and other payables	-	-	82,438,418	43,472,067	-	-	82,438,418	43,472,067
Lease liabilities	-	-	6,242,932	3,332,544	-	-	6,242,932	3,332,544
Short-term borrowing from related parties	-	-	-	13,000,000	-	-	-	13,000,000
Short-term borrowing from others	-	-	850,000	-	-	-	850,000	-
Long-term borrowings from financial institutions	-	-	51,465,589	70,630,105	-	-	51,465,589	70,630,105
Bills of Exchange	-	-	-	119,565,119	-	-	-	119,565,119
Debentures	-	-	1,416,416,674	1,380,134,454	-	-	1,416,416,674	1,380,134,454
Other financial liabilities	-	-	4,974,700	3,198,200	-	-	4,974,700	3,198,200
Total	-	-	1,562,388,313	1,633,332,489	-	-	1,562,388,313	1,633,332,489

Chayo Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Financial assets								
Cash and cash equivalents	496,523,204	547,917,867	-	-	-	-	496,523,204	547,917,867
Restricted deposits at financial institutions	2,225,208	2,111,680	-	-	-	-	2,225,208	2,111,680
Financial assets measured at amortised cost	1,216,818	1,303,008	-	-	-	-	1,216,818	1,303,008
Trade and other receivables	-	-	174,228,369	91,165,593	-	-	174,228,369	91,165,593
Loans to related parties	-	-	2,093,799,900	1,321,200,100	-	-	2,093,799,900	1,321,200,100
Loans to non-performing assets	-	-	-	-	334,502,985	110,738,994	334,502,985	110,738,994
Other financial assets	-	-	716,500	1,008,750	-	-	716,500	1,008,750
Total	499,965,230	551,332,555	2,268,744,769	1,413,374,443	334,502,985	110,738,994	3,103,212,984	2,075,445,992
Financial liabilities								
Trade and other payables	-	-	36,976,721	22,562,961	-	-	36,976,721	22,562,961
Lease liabilities	-	-	3,738,527	3,083,232	-	-	3,738,527	3,083,232
Long-term borrowings from financial institutions	-	-	29,750,411	-	-	-	29,750,411	-
Bills of Exchange	-	-	-	119,565,119	-	-	-	119,565,119
Debentures	-	-	1,416,416,674	1,380,134,454	-	-	1,416,416,674	1,380,134,454
Other financial liabilities	-	-	1,938,200	1,122,700	-	-	1,938,200	1,122,700
Total	-	-	1,488,820,533	1,526,468,466	-	-	1,488,820,533	1,526,468,466

Transfer between fair value hierarchy

The Group recognises transfers between fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer.

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 original effective interest rate.

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.

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.

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.

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 original effective interest rate. 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.

Estimation on the expected debt collection period of loan to non-performing assets was changed from those that were applied for financial information for financial statements for the year ended 31 December 2019 (Note 2.9). The expected debt collection period of loan to non-performing assets changes from 4 - 5 years from the acquisition date to 5-8 years from the acquisition date since the Group is able to collect debt according to the changed period.

Other financial assets

The carrying amounts of other financial 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.

Lease liabilities, short-term borrowings from related parties, short-term borrowings from others, long-term borrowings from financial institutions, bills of exchange and debentures

The fair value of lease liabilities, 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.

Other financial liabilities

The carrying amounts of other financial liabilities presented in the statement of financial position approximate fair values.

8 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 5.6. 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.

9 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 5 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
- 5) Segment of products and or services

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

For the year ended 31 December 2021	Debt collection service Baht	Management of non- performing assets Baht	Call center service Baht	Loan Baht	Products and or services Baht	Total Baht
Revenues	47,868,884	641,859,586	-	13,595,401	25,013,076	728,336,947
Revenues from inter-segment	(7,756,615)	-	-	-	(192,755)	(7,949,370)
Revenues from segment	40,112,269	641,859,586	-	13,595,401	24,820,321	720,387,577
Costs	(28,997,458)	(133,333,324)	-	(1,635,184)	(21,341,460)	(185,307,426)
Costs from inter-segment	-	7,756,615	-	-	175,235	7,931,850
Costs from segment	(28,997,458)	(125,576,709)	-	(1,635,184)	(21,166,225)	(177,375,576)
Segment results	11,114,811	516,282,877	-	11,960,217	3,654,096	543,012,001
Unallocated costs						(70,050,328)
Profit from operation						472,961,673
Other income						9,424,949
Gain on disposal from foreclosed assets						75,975,797
Expected credit loss						(177,800,209)
Finance costs						(112,801,316)
Profit before income tax						267,760,894
Income tax expense						(45,718,164)
Net profit						222,042,730
Timing of revenue recognition						
At a point in time						145,928,197
Over time						659,860,126
Total revenue						805,788,323

Chayo Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

For the year ended 31 December 2020	Debt collection service Baht	Management of non- performing assets Baht	Call center service Baht	Loan Baht	Products and or services Baht	Total Baht
Revenues	57,450,131	417,248,392	-	7,547,271	2,997,185	485,242,979
Revenues from inter-segment	(5,937,951)	(187,544)	-	-	-	(6,125,495)
Revenues from segment	51,512,180	417,060,848	-	7,547,271	2,997,185	479,117,484
Costs	(30,915,113)	(89,695,303)	-	(937,803)	(1,902,148)	(123,450,367)
Costs from inter-segment	191,535	5,933,960	-	-	-	6,125,495
Costs from segment	(30,723,578)	(83,761,343)	-	(937,803)	(1,902,148)	(117,324,872)
Segment results	20,788,602	333,299,505	-	6,609,468	1,095,037	361,792,612
Unallocated costs						(67,985,166)
Profit from operation						293,807,446
Other income						4,023,887
Gain on disposal from foreclosed assets						37,238,875
Expected credit loss						(87,057,664)
Finance costs						(52,701,608)
Profit before income tax						195,310,936
Income tax expense						(40,506,107)
Net profit						154,804,829
Timing of revenue recognition						
At a point in time						93,254,351
Over time						427,125,895
Total revenue						520,380,246

10 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Cash on hand	47,831	26,302	3,205	8,968
Deposits held at call with banks	1,332,156,444	708,172,878	496,519,999	547,908,899
Total	1,332,204,275	708,199,180	496,523,204	547,917,867

The interest rates of deposits held at call with banks of saving accounts and 3 months fixed deposit account are 0.125% - 0.375% per annum (2020: 0.125% - 0.375% per annum).

11 Restricted deposits at financial institutions

As at 31 December 2021 and 2020, 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.

12 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Trade receivables	32,769,679	7,446,216	2,560,309	3,868,200
<u>Less</u> Allowance for expected credit loss	-	-	-	-
Trade receivables, net	32,769,679	7,446,216	2,560,309	3,868,200
Amounts due from related parties (Note 37.4)	-	-	2,879,403	7,246,896
Interest receivables from short-term loans to related parties (Note 37.4)	-	-	167,888,229	79,820,237
Accrued income ⁽¹⁾	7,583,000	9,735,473	-	-
Prepaid expenses	1,088,872	364,724	845,428	221,415
Advances	1,406,375	7,536,310	-	-
Others	3,529,585	497,976	55,000	8,845
Total	46,377,511	25,580,699	174,228,369	91,165,593

⁽¹⁾ The Group has accrued income from selling collaterals of loans to non-performing assets by auction from Legal Execution Department amounting to Baht 7.58 million.

Fair values of trade receivables

Due to the short-term of the current receivables, their carrying amount is considered to be the same as their fair value.

13 Financial assets

Classification of the Group's financial assets and financial liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Financial assets				
Financial assets at amortised cost				
Cash and cash equivalents	1,332,204,275	708,199,180	496,523,204	547,917,867
Restricted cash	9,415,080	9,223,362	2,225,208	2,111,680
Financial assets measured at amortised cost	1,486,883	1,570,108	1,216,818	1,303,008
Trade and other receivables	46,377,511	25,580,699	174,228,369	91,165,593
Short-term loans to related parties	-	-	2,093,799,900	1,321,200,100
Deposit for purchasing loans to non-performing assets	71,300,826	70,035,357	-	-
Loan receivables	338,595,356	60,992,991	-	-
Loans to non-performing assets	2,855,988,012	1,692,878,187	334,502,985	110,738,994
Other financial assets	2,962,325	1,769,750	716,500	1,008,750
	4,658,330,268	2,570,249,634	3,103,212,984	2,075,445,992
Financial liabilities				
Financial liabilities at amortised cost				
Trade and other payables	82,438,418	43,472,067	36,976,721	22,562,961
Lease liabilities	6,242,932	3,332,544	3,738,527	3,083,232
Long-term borrowings from financial institutions	51,465,589	70,630,105	29,750,411	-
Short-term borrowing from related parties	-	13,000,000	-	-
Short-term borrowing from others	850,000	-	-	-
Bills of Exchange	-	119,565,119	-	119,565,119
Debentures	1,416,416,674	1,380,134,454	1,416,416,674	1,380,134,454
Other financial liabilities	4,974,700	3,198,200	1,938,200	1,122,700
	1,562,388,313	1,633,332,489	1,488,820,533	1,526,468,466

13.1 Other financial assets at amortised cost

a) Classification of financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Financial assets at amortised cost other than trade receivables and loans to non-performing assets include the following debt investments:

	Consolidated financial statements					
	31 December 2021			31 December 2020		
	Current Baht	Non-current Baht	Total Baht	Current Baht	Non-current Baht	Total Baht
Financial assets measured at amortised cost	1,486,883	-	1,486,883	1,570,108	-	1,570,108
Deposit for purchasing loans to non-performing assets	71,300,826	-	71,300,826	70,035,357	-	70,035,357
Loan receivables	335,911,933	2,756,189	338,668,122	60,992,991	-	60,992,991
Less Loss allowance	(61,470)	(11,296)	(72,766)	-	-	-
Total	408,638,172	2,744,893	411,383,065	132,598,456	-	132,598,456
	Separate financial statements					
	31 December 2021			31 December 2020		
	Current Baht	Non-current Baht	Total Baht	Current Baht	Non-current Baht	Total Baht
Financial assets measured at amortised cost	1,216,818	-	1,216,818	1,303,008	-	1,303,008
Short-term loans to related parties	2,093,799,900	-	2,093,799,900	1,321,200,100	-	1,321,200,100
Total	2,095,016,718	-	2,095,016,718	1,322,503,108	-	1,322,503,108

b) Fair values of other financial assets at amortised cost

Due to the short-term nature of the other current assets, their carrying amount is considered to be the same as their fair value. For the majority of the non-current assets, the fair values are also not significantly different to their carrying amounts.

As at 31 December 2021 short-term loans to related parties at a carrying amount of Baht 2,093,799,900 (2020: Baht 1,321,200,100). The fair values were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

c) Allowance for expected credit loss

All of the Group's and the Company's investments at amortised cost are considered to have low credit risk. The loss allowance recognised during the period was therefore limited to 12 months expected losses.

14 Inventories

	Consolidated financial statements	
	2021 Baht	2020 Baht
Finished goods	1,087,723	1,146,147
<u>Less</u> Allowance for net realisable value	-	-
Total	1,087,723	1,146,147

During the years ended 2021 and 2020, amounts recognised as cost of sales in profit or loss are as follows:

	Consolidated financial statements	
	2021 Baht	2020 Baht
Cost of sales and cost of services	21,166,225	1,902,148

There are no inventories in the separate financial statement as at 31 December 2021 and 2020.

15 Deposit for purchasing loans to non-performing assets

As at 31 December 2021 and 2020, 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.

16 Loan receivables, net

As of 31 December 2021 and 2020, loan receivables are as follows:

	Consolidated financial statements		
	2021		Total Baht
	Due within 1 year Baht	Due over than 1 year Baht	
Loan receivables	344,577,161	2,756,189	347,333,350
<u>Less</u> Front-end fee	(4,918)	-	(4,918)
<u>Less</u> Unearned interest	(11,391,436)	-	(11,391,436)
Interest receivables	2,731,126	-	2,731,126
	335,911,933	2,756,189	338,668,122
<u>Less</u> Allowance for expected credit loss	(61,470)	(11,296)	(72,766)
Loan receivables, net	335,850,463	2,744,893	338,595,356

Chayo Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

	Consolidated financial statements		
	2020		
	Due within 1 year Baht	Due over than 1 year Baht	Total Baht
Loan receivables	60,701,857	-	60,701,857
<u>Less</u> Front-end fee	(26,766)	-	(26,766)
Interest receivables	317,900	-	317,900
	60,992,991	-	60,992,991
<u>Less</u> Allowance for expected credit loss	-	-	-
Loan receivables, net	60,992,991	-	60,992,991

There is no loan receivables in the separate financial statement as at 31 December 2021 and 2020.

Outstanding loan receivables as at 31 December 2021 can be analysed as follows:

	Consolidated financial statements	
	2021 Baht	2020 Baht
Not overdue and overdue less than 1 month	343,833,350	60,701,857
Overdue over 1 month - 3 months	-	-
Overdue over 3 months - 6 months	-	-
Overdue over 6 months - 12 months	3,500,000	-
Overdue over 12 months	-	-
	347,333,350	60,701,857
<u>Less</u> Front-end fee	(4,918)	-
<u>Less</u> Unearned interest	(11,391,436)	-
Interest receivables	2,731,126	-
<u>Less</u> Allowance for expected credit loss	(72,766)	-
Loan receivables, net	338,595,356	60,701,857

17 Loans to non-performing assets, net

As of 31 December 2021 and 2020, loans to non-performing assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Loans to non-performing assets	2,569,659,424	1,572,736,274	319,143,873	103,058,124
<u>Add</u> Accrued interest income	554,125,577	210,424,843	54,366,926	7,680,870
<u>Less</u> Allowance for expected credit loss	(267,796,989)	(90,282,930)	(39,007,814)	-
Loans to non-performing assets, net	2,855,988,012	1,692,878,187	334,502,985	110,738,994

Chayo Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

The movements of loans to non-performing assets for years ended 31 December 2021 and 2020 are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	1,692,878,187	1,121,950,279	110,738,994	-
Additions	1,192,256,152	625,647,233	220,379,549	103,745,783
Add Accrued interest income	366,843,343	236,578,507	46,686,057	7,680,870
Less Closes account from debt settlement to foreclosed assets (Note 20)	(157,904,109)	(163,922,422)	-	-
Less Disposals	(27,734,001)	(33,660,166)	-	-
Less Proceeds from loans to non-performing assets	(32,624,117)	(6,657,560)	(4,293,801)	(687,659)
Less Allowance for expected credit loss	(177,727,443)	(87,057,664)	(39,007,814)	-
At 31 December	2,855,988,012	1,692,878,187	334,502,985	110,738,994

As at 31 December 2021, loans to non-performing assets in the consolidated financial statements consisted of 385,078 contracts (2020: 355,343 contracts), and 235 contracts have secured assets (2020: 133 contracts) and the appraised value of collaterals is Baht 3,626.30 million (2020: Baht 2,450.44 million) and loan to non-performing assets in the separate financial statement consisted of 61,236 contracts (2020: 42,609 contracts).

Loans to non-performing assets as at 31 December 2021 and 2020 can be analysed by aging from the date of acquisition of loans to non-performing assets as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Less than 1 year	1,182,225,977	624,404,102	219,768,400	103,058,124
1 - 2 years	597,023,487	605,957,600	99,375,473	-
2 - 3 years	495,857,400	228,002,792	-	-
3 - 4 years	182,223,680	45,486,588	-	-
4 - 5 years	45,486,588	-	-	-
More than 5 years	66,842,292	68,885,192	-	-
Total amounts loans to non-performing assets	2,569,659,424	1,572,736,274	319,143,873	103,058,124

17.1 Classified by loan type

	Consolidated financial statements	
	2021 Baht	2020 Baht
Overdrafts	3,971,440,712	3,974,736,777
Loans	29,884,963,729	29,152,143,817
Notes	358,550,288	358,550,288
Hire-purchase receivables	15,271,975,869	7,644,326,884
Financial lease receivables	10,925,762	10,925,762
Credit cards	13,834,642,196	13,945,676,279
Others	9,905,046,988	10,310,263,489
<u>Less</u> Deferred revenue	<u>(70,667,886,120)</u>	<u>(63,823,887,022)</u>
Total loans net of deferred revenue	2,569,659,424	1,572,736,274
<u>Add</u> Accrued interest receivables	<u>554,125,577</u>	<u>210,424,843</u>
Total loans net of deferred revenue and accrued interest receivables	3,123,785,001	1,783,161,117
<u>Less</u> Allowance for expected credit loss	<u>(267,796,989)</u>	<u>(90,282,930)</u>
Total loans to non-performing assets, net	2,855,988,012	1,692,878,187
	Separate financial statements	
	2021 Baht	2020 Baht
Hire-purchase receivables	6,429,217,494	1,379,284,273
Financial lease receivables	10,925,762	10,925,762
<u>Less</u> Deferred revenue	<u>(6,120,999,383)</u>	<u>(1,287,151,911)</u>
Total loans net of deferred revenue	319,143,873	103,508,124
<u>Add</u> Accrued interest receivables	<u>54,366,926</u>	<u>7,680,870</u>
Total loans net of deferred revenue and accrued interest receivables	373,510,799	110,738,994
<u>Less</u> Allowance for expected credit loss	<u>(39,007,814)</u>	<u>-</u>
Total loans to non-performing assets, net	334,502,985	110,738,994

17.2 Allowance for expected credit loss

The reconciliations of allowance for expected credit loss for loans to non-performing assets at amortised cost other than trade receivables for the year ended 31 December 2021 and 2020 are as follows:

	Consolidated financial statements
	Loss allowance measured at amount equal to Lifetime expected credit losses (credit-impaired financial assets)
	Baht
As of 1 January 2020	9,312,015
Increase in allowance for expected credit loss recognised in profit or loss during the year	87,057,664
<u>Less</u> Closes account from debt settlement to foreclosed assets	(6,086,749)
As of 31 December 2020	90,282,930
Increase in allowance for expected credit loss recognised in profit or loss during the year	177,727,443
<u>Less</u> Closes account from debt settlement to foreclosed assets	(213,384)
As of 31 December 2021	267,796,989
	Separate financial statements
	Loss allowance measured at amount equal to Lifetime expected credit losses (credit-impaired financial assets)
	Baht
As of 1 January 2021	-
Increase in allowance for expected credit loss recognised in profit or loss during the year	(39,007,814)
As of 31 December 2021	(39,007,814)

There is no expected credit loss in the separate financial statement as at 31 December 2021.

18 Investments in subsidiaries

As at 31 December 2021 and 2020, 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	
				2021 Baht '000	2020 Baht '000	2021 Baht '000	2020 Baht '000		2021 Baht '000	2020 Baht '000
Chayo Asset Management Co., Ltd.	Thailand	Management of non-performing assets	99.99	200,000	200,000	200,000	200,000	99.99	212,050	212,050
Chayo Property and Service Co., Ltd.	Thailand	Debt collection and call center service	99.99	20,000	20,000	20,000	20,000	99.99	21,000	21,000
Chayo Capital Co., Ltd.	Thailand	Personal loan	76.00	250,000	50,000	250,000	50,000	76.00	190,000	35,000
555 Shopping Co., Ltd	Thailand	Products and or services	70.00	7,000	7,000	7,000	7,000	70.00	4,900	4,900
Chayo JV Co., Ltd	Thailand	Management of non-performing assets	55.00	200,000	55,000	200,000	27,500	55.00	117,200	27,500
<u>Less</u> Impairment of investments									-	-
									545,150	300,450

Chayo Capital Company Limited

On 25 February 2021, the Board of Directors' Meeting No.1/2564 passed a resolution to approve the following agenda:

1. Negotiated with the shareholder to purchase treasury stocks for 300,000 shares at par value of Baht 10 totaling to Baht 3,000,000.
2. Increased in registered share capital by issuance of newly issued 5,000,000 ordinary shares at par value of Baht 10 totaling to Baht 50,000,000 from the existing shares capital of Baht 50,000,000 million to a new registered capital of Baht 100,000,000 for loan repayments in order to reduce the finance costs.

On 26 July 2021, the Board of Directors' Meeting No.9/2564 passed a resolution to approve the following agenda:

Increased in registered share capital by issuance of newly issued 15,000,000 ordinary shares at par value of Baht 10 totaling to Baht 150,000,000 from the existing shares capital of Baht 100,000,000 million to a new registered capital of Baht 250,000,000 for providing rights issue to invite existing shareholders to purchase additional shares.

Chayo JV Asset Management Company Limited

On 30 December 2020, the Board of Directors' Meeting No.4/2563 passed a resolution to approve the following agenda:

Changed of the Company's name from "Chayo JV Company Limited" to "Chayo JV Asset Management Company Limited". The Company has registered the change of name with the Ministry of Commerce on 15 January 2021.

On 9 April 2021, Chayo JV Asset Management Company Limited ("Subsidiary") was approved by Bank of Thailand and registered as Asset Management Company per Emergency Decree on Asset Management Company B.E. 2541.

On 31 May 2021 Chayo JV Asset Management Company Limited registered additional with Department of Business Development by issuance of newly issued 1,450,000 ordinary shares and 7,200,000 preferred shares at par value of Baht 100 totaling to Baht 865,000,000 from the existing shares capital of Baht 55,000,000 to a new registered capital of Baht 920,000,000. The Company holds approximately 55% of total ordinary shares and offers ordinary shares and partial preferred shares to 8 investors (who are not related parties). Chayo JV Asset Management Company Limited has been paid in full.

19 Investment properties, net

	Consolidated financial statements			
	Land Baht	Buildings and building improvements Baht	Construction in progress Baht	Total Baht
At 1 January 2020				
Cost	1,397,916	9,359,396	-	10,757,312
<u>Less</u> Accumulated depreciation	-	(2,414,649)	-	(2,414,649)
Net book value	1,397,916	6,944,747	-	8,342,663
For the year ended 31 December 2020				
Beginning net book value	1,397,916	6,944,747	-	8,342,663
Additions	-	40,187	-	40,187
Depreciation charge	-	(546,384)	-	(546,384)
Ending net book value	1,397,916	6,438,550	-	7,836,466
At 31 December 2020				
Cost	1,397,916	9,399,583	-	10,797,499
<u>Less</u> Accumulated depreciation	-	(2,961,033)	-	(2,961,033)
Net book value	1,397,916	6,438,550	-	7,836,466
For the year ended 31 December 2021				
Beginning net book value	1,397,916	6,438,550	-	7,836,466
Additions	-	27,190,000	-	27,190,000
Transfer out	-	(21,533,745)	-	(21,533,745)
Depreciation charge	-	(996,406)	-	(996,406)
Ending net book value	1,397,916	11,098,399	-	12,496,315
At 31 December 2021				
Cost	1,397,916	15,055,838	-	16,453,754
<u>Less</u> Accumulated depreciation	-	(3,957,439)	-	(3,957,439)
Net book value	1,397,916	11,098,399	-	12,496,315

In the consolidated financial statements, depreciation expense of Baht 546,384 (2020: Baht 546,384) has been charged in administrative expenses.

	Separate financial statements		
	Land Baht	Buildings and improvements Baht	Total Baht
At 1 January 2020			
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
For the year ended 31 December 2020			
Beginning net book value	4,661,218	4,958,758	9,619,976
Depreciation charge	-	(402,810)	(402,810)
Ending net book value	4,661,218	4,555,948	9,217,166
At 31 December 2020			
Cost	4,661,218	8,853,092	13,514,310
<u>Less</u> Accumulated depreciation	-	(4,297,144)	(4,297,144)
Net book value	4,661,218	4,555,948	9,217,166
For the year ended 31 December 2021			
Beginning net book value	4,661,218	4,555,948	9,217,166
Additions	-	22,000,000	22,000,000
Transfer out	-	(7,032,335)	(7,032,335)
Depreciation charge	-	(844,502)	(844,502)
Ending net book value	4,661,218	18,679,111	23,340,329
At 31 December 2021			
Cost	4,661,218	23,820,757	28,481,975
<u>Less</u> Accumulated depreciation	-	(5,141,646)	(5,141,646)
Net book value	4,661,218	18,679,111	23,340,329

In the separate financial statements, depreciation expense of Baht 844,502 (2020: Baht 402,810) 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 18.50 million and Baht 24.17 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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Rental income	186,000	62,000	2,526,000	2,340,000
Direct operating expenses incurred by the investment properties resulting in rental income for the year	-	-	(844,502)	(402,810)
Total	186,000	62,000	1,681,498	1,937,190

Minimum lease payments receivable on lease of investment properties are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Within 1 year	139,500	186,000	1,635,500	1,742,000
Between 1 and 2 years	-	139,500	-	139,500
Between 2 and 3 years	-	-	-	-
Between 3 and 4 years	-	-	-	-
Between 4 and 5 years	-	-	-	-
Later than 5 years	-	-	-	-
	139,500	325,500	1,635,500	1,881,500

20 Foreclosed assets, net

During the years ended 31 December 2021 and 2020, movements of foreclosed assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	188,009,951	75,222,062	-	-
Additions	103,207,097	12,152,800	-	-
Closes account from debt settlement to foreclosed assets (Note 17)	157,904,109	163,922,442	-	-
Disposals	(116,294,203)	(63,287,353)	-	-
At 31 December	332,826,954	188,009,951	-	-

21 Property, plant and equipment

	Consolidated financial statements					
	Land	Buildings	Office	Furniture and	Vehicles	Total
	Baht	And building improvements Baht	equipment Baht	Fixture Baht	Baht	Baht
At 1 January 2020						
Cost or fair value	8,767,080	28,039,517	6,893,081	4,202,196	6,642,280	54,544,154
<u>Less</u> Accumulated depreciation	-	(9,063,261)	(4,147,743)	(3,721,567)	(3,857,897)	(20,790,468)
<u>Less</u> Accumulated impairment	-	(2,806,037)	-	-	-	(2,806,037)
Net book amount	8,767,080	16,170,219	2,745,338	480,629	2,784,383	30,947,649
For the year ended 31 December 2020						
Opening net book amount	8,767,080	16,170,219	2,745,338	480,629	2,784,383	30,947,649
Additions	-	191,510	488,756	197,836	5,400,000	6,278,102
Depreciation charge	-	(1,190,851)	(1,069,792)	(328,542)	(2,045,191)	(4,634,376)
Closing net book amount	8,767,080	15,170,878	2,164,302	349,923	6,139,192	32,591,375
At 31 December 2020						
Cost or fair value	8,767,080	28,231,027	7,381,837	4,400,032	12,042,280	60,822,256
<u>Less</u> Accumulated depreciation	-	(10,254,112)	(5,217,535)	(4,050,109)	(5,903,088)	(25,424,844)
<u>Less</u> Accumulated impairment	-	(2,806,037)	-	-	-	(2,806,037)
Net book amount	8,767,080	15,170,878	2,164,302	349,923	6,139,192	32,591,375
For the year ended 31 December 2021						
Opening net book amount	8,767,080	15,170,878	2,164,302	349,923	6,139,192	32,591,375
Additions	-	1,552,319	1,472,137	5,739	5,456,710	8,487,741
Transfer in (out)	3,360,000	18,172,720	-	1,025	-	21,532,909
Disposals	-	-	(175,492)	(3,645)	(700,670)	(879,807)
Depreciation charge	-	(1,459,317)	(1,189,375)	(138,791)	(2,299,510)	(5,086,993)
Closing net book amount	12,127,080	33,436,600	2,271,572	214,251	8,595,722	56,645,225
At 31 December 2021						
Cost or fair value	12,127,080	48,423,346	8,604,772	4,354,369	11,684,740	85,194,307
<u>Less</u> Accumulated depreciation	-	(12,180,709)	(6,333,200)	(4,140,118)	(3,089,018)	(25,743,045)
<u>Less</u> Accumulated impairment	-	(2,806,037)	-	-	-	(2,806,037)
Net book amount	12,127,080	33,436,600	2,271,572	214,251	8,595,722	56,645,225

Chayo Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

	Separate financial statements					
	Land	Buildings	Office	Furniture and	Vehicles	Total
	Baht	And building	equipment	Fixture	Baht	Baht
	Baht	improvements	Baht	Baht	Baht	Baht
	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2020						
Cost or fair value	5,503,778	17,299,058	4,410,518	2,974,350	-	30,187,704
<u>Less</u> Accumulated depreciation	-	(5,824,297)	(2,171,250)	(2,725,925)	-	(10,721,472)
<u>Less</u> Accumulated impairment	-	(2,806,037)	-	-	-	(2,806,037)
Net book amount	5,503,778	8,668,724	2,239,268	248,425	-	16,660,195
For the year ended						
31 December 2020						
Opening net book amount	5,503,778	8,668,724	2,239,268	248,425	-	16,660,195
Additions	-	191,510	416,282	152,336	5,400,000	6,160,128
Depreciation charge	-	(652,389)	(802,095)	(164,451)	(713,096)	(2,332,031)
Closing net book amount	5,503,778	8,207,845	1,853,455	236,310	4,686,904	20,488,292
At 31 December 2020						
Cost or fair value	5,503,778	17,490,568	4,826,800	3,126,686	5,400,000	36,347,832
<u>Less</u> Accumulated depreciation	-	(6,476,686)	(2,973,345)	(2,890,376)	(713,096)	(13,053,503)
<u>Less</u> Accumulated impairment	-	(2,806,037)	-	-	-	(2,806,037)
Net book amount	5,503,778	8,207,845	1,853,455	236,310	4,686,904	20,488,292
For the year ended						
31 December 2021						
Opening net book amount	5,503,778	8,207,845	1,853,455	236,310	4,686,904	20,488,292
Additions	-	1,552,319	938,140	5,739	-	2,496,198
Transfer in	3,360,000	3,672,335	-	-	-	7,032,335
Disposals	-	-	(60,026)	-	-	(60,026)
Depreciation charge	-	(922,295)	(895,121)	(83,416)	(1,080,000)	(2,980,832)
Closing net book amount	8,863,778	12,510,204	1,836,448	158,633	3,606,904	26,975,967
At 31 December 2021						
Cost or fair value	8,863,778	22,770,887	5,659,613	3,132,425	5,400,000	45,826,703
<u>Less</u> Accumulated depreciation	-	(7,454,646)	(3,823,165)	(2,973,792)	(1,793,096)	(16,044,699)
<u>Less</u> Accumulated impairment	-	(2,806,037)	-	-	-	(2,806,037)
Net book amount	8,863,778	12,510,204	1,836,448	158,633	3,606,904	26,975,967

As at 31 December 2021 and 2020, right-of-use asset balance are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Vehicles				
Cost or fair value	11,684,740	12,042,280	13,237,059	5,400,000
<u>Less</u> Accumulated depreciation	(3,089,018)	(5,903,088)	(3,304,618)	(713,096)
Total	8,595,722	6,139,192	9,932,441	4,686,904

For the years ended 31 December 2021 and 2020, amounts charged to profit or loss and cash flows relating to leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Depreciation charge of right-of-use assets:				
Vehicles	2,299,510	2,045,191	1,080,000	713,096
Total	2,299,510	2,045,191	1,080,000	713,096
Addition to the right-of-use assets during the year	7,009,029	5,400,000	1,552,319	5,400,000
Total cash outflow for leases	5,207,496	3,573,004	1,044,664	2,429,776
Expense relating to short-term leases	308,080	250,000	154,000	250,000
Expense relating to leases of low-value assets	186,756	139,956	46,800	-
Expense relating to variable lease payments	335,065	361,704	85,141	-

22 Intangible assets, net

	Consolidated financial statements			Separate financial statements		
	Software Baht	Software in process Baht	Total Baht	Software Baht	Software in process Baht	Total Baht
At 1 January 2020						
Cost	3,391,858	1,250,000	4,641,858	2,291,340	180,000	2,471,340
<u>Less</u> Accumulated amortisation	(1,962,061)	-	(1,962,061)	(1,357,771)	-	(1,357,771)
Net book value	1,429,797	1,250,000	2,679,797	933,569	180,000	1,113,569
For the year ended 31 December 2020						
Opening net book amount	1,429,797	1,250,000	2,679,797	933,569	180,000	1,113,569
Additions	222,500	1,092,930	1,315,430	157,500	1,092,930	1,250,430
Amortisation charge	(1,285,364)	-	(1,285,364)	(702,461)	-	(702,461)
Closing net book value	366,933	2,342,930	2,709,863	388,608	1,272,930	1,661,538
At 31 December 2020						
Cost	3,614,358	2,342,930	5,957,288	2,448,840	1,272,930	3,721,770
<u>Less</u> Accumulated amortisation	(3,247,425)	-	(3,247,425)	(2,060,232)	-	(2,060,232)
Net book value	366,933	2,342,930	2,709,863	388,608	1,272,930	1,661,538
For the year ended 31 December 2021						
Opening net book amount	366,933	2,342,930	2,709,863	388,608	1,272,930	1,661,538
Transfer in (out)	50,000	720,000	770,000	-	720,000	720,000
Additions	1,070,000	(1,070,000)	-	-	-	-
Amortisation charge	(817,964)	-	(817,964)	(291,062)	-	(291,062)
Closing net book value	668,969	1,992,930	2,661,899	97,546	1,992,930	2,090,476
At 31 December 2021						
Cost	4,734,358	1,992,930	6,727,288	2,448,840	1,992,930	4,441,770
<u>Less</u> Accumulated amortisation	(4,065,389)	-	(4,065,389)	(2,351,294)	-	(2,351,294)
Net book value	668,969	1,992,930	2,661,899	97,546	1,992,930	2,090,476

23 Deferred income taxes

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Deferred tax assets	(66,910,833)	(31,448,591)	(9,320,718)	(1,388,517)
Deferred tax liabilities	115,455,671	47,648,871	10,873,386	1,636,617
Deferred income taxes, net	48,544,838	16,278,238	1,552,668	248,100

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 2020	-	(13,631,052)	(753,914)	(14,384,966)
Charged to profit or loss	-	(16,264,724)	(235,036)	(16,499,760)
Charged to other comprehensive income	-	-	(563,865)	(563,865)
At 31 December 2020	-	(29,895,776)	(1,552,815)	(31,448,591)
At 1 January 2021		(29,895,776)	(1,552,815)	(31,448,591)
Charged to profit or loss	-	(35,287,520)	(174,722)	(35,462,242)
Charged to other comprehensive income	-	-	-	-
At 31 December 2021	-	(65,183,296)	(1,727,537)	(66,910,833)
Deferred tax liabilities				
At 1 January 2020	28,699	-	437	29,136
Charged to profit or loss	48,822	47,648,871	-	47,697,693
At 31 December 2020	77,521	47,648,871	437	47,726,829
At 1 January 2021	77,521	47,648,871	437	47,726,829
Charged to profit or loss	(77,521)	67,806,363	-	67,728,842
At 31 December 2021	-	115,455,234	437	115,455,671

	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 2020	-	-	(714,806)	(714,806)
Charged to profit or loss	-	-	(218,318)	(218,318)
Charged to other comprehensive income	-	-	(455,393)	(455,393)
At 31 December 2020	-	-	(1,388,517)	(1,388,517)
At 1 January 2021	-	-	(1,388,517)	(1,388,517)
Charged to profit or loss	-	(7,820,022)	(112,179)	(7,932,201)
Charged to other comprehensive income	-	-	-	-
At 31 December 2021	-	(7,820,022)	(1,500,696)	(9,320,718)
Deferred tax liabilities				
At 1 January 2020	28,699	-	-	28,699
Charged to profit or loss	48,822	1,559,096	-	1,607,918
At 31 December 2020	77,521	1,559,096	-	1,636,617
At 1 January 2021	77,521	1,559,096	-	1,636,617
Charged to profit or loss	(77,521)	9,314,290	-	9,236,769
At 31 December 2021	-	10,873,386	-	10,873,386

24 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Trade payables	365,501	2,351,707	159,865	1,901,882
Amounts due to related parties (Note 37.4)	-	-	197,618	202,223
Deferred income	20,020,000	608,865	-	-
Accrued expenses	14,404	22,688,510	-	10,621,299
Accrued interest	50,668,731	9,310,562	26,048,914	9,304,109
Loan to non-performing assets payables	10,096,288	-	9,952,637	-
Others	-	8,512,423	-	533,448
Total	82,438,418	43,472,067	36,976,721	22,562,961

25 Borrowings

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Current				
Bills of exchange	-	119,565,119	-	119,565,119
Short-term borrowings from others	850,000	-	-	-
Current portion of debentures	298,132,847	297,741,986	298,132,847	297,741,986
Current portion of long-term borrowings from financial institution	28,757,975	31,824,972	19,990,000	-
Total current borrowings	327,740,822	449,152,077	318,122,847	417,327,105
Non-current				
Debentures	1,118,283,827	1,082,392,468	1,118,283,827	1,082,392,468
Borrowings from financial institutions	22,707,614	38,805,133	9,760,411	-
Total non-current borrowings	1,140,991,441	1,121,197,601	1,128,044,238	1,082,392,468
Total borrowings	1,468,732,263	1,570,349,678	1,446,167,085	1,499,699,573

The movement of borrowings for the years ended 31 December 2021 and 2020 is as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	1,570,329,678	575,374,847	1,499,699,573	518,589,853
Additions	1,201,551,037	1,235,162,447	1,181,511,057	1,194,872,467
Repayments	(1,324,141,925)	(251,579,905)	(1,255,000,000)	(225,000,000)
Reclassification	750,000	-	-	-
Amortisation of prepaid interest expense	364,881	4,326,445	364,881	4,326,445
Amortisation of relevant cost to obtain borrowings	19,878,592	7,045,844	19,591,574	6,910,808
At 31 December	1,468,732,263	1,570,329,678	1,446,167,085	1,499,699,573

The details of borrowings are as follows:

	Consolidated financial statements					
	Amount Baht	Prepaid arrange fee Baht	Prepaid Interest Baht	Maturity date	Interest rate %	Interest payment term
As at 31 December 2021						
Debentures	300,000,000	(1,867,152)	-	1 August 2022	6.00	Quarterly
Debentures	1,130,100,000	(11,816,174)	-	23 November 2024	5.70	Quarterly
Borrowings from financial institutions	30,000,000	(249,589)	-	Monthly 29 January 2022 - 29 December 2026	MLR - 0.25	Monthly
Short-term borrowings from others	850,000	-	-	At call	7.50	At call
Borrowings from financial institutions	4,856,219	(84,253)	-	Monthly 13 May 2020 - 13 November 2024	MLR - 0.75	Monthly
Borrowings from financial institutions	16,994,000	(50,788)	-	Monthly 26 September 2021 - 26 March 2026	MLR	Monthly

Chayo Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

Consolidated financial statements						
	Amount Baht	Prepaid arrange fee Baht	Prepaid Interest Baht	Maturity date	Interest rate %	Interest payment term
As at 31 December 2020						
Bills of exchange	120,000,000	(70,000)	(364,881)	21 January 2021	5.50	-
Debentures	300,000,000	(2,258,014)	-	29 November 2021	6.25	Quarterly
Debentures	300,000,000	(4,569,368)	-	1 August 2022	6.00	Quarterly
Debentures	800,000,000	(13,038,164)	-	27 November 2022	6.00	Quarterly
Borrowings from financial institutions	21,008,108	(52,083)	-	Monthly	MLR - 2.00	Monthly
				30 April 2019 - 31 March 2022		
Borrowings from financial institutions	16,384,037	(196,332)	-	Monthly	MLR - 2.00	Monthly
				30 April 2020 - 31 March 2024		
Borrowings from financial institutions	33,600,000	(113,625)	-	Monthly	MLR - 0.75	Monthly
				13 May 2020 - 13 November 2024		
Separate financial statements						
	Amount Baht	Prepaid arrange fee Baht	Prepaid Interest Baht	Maturity date	Interest rate %	Interest payment term
As at 31 December 2021						
Debentures	300,000,000	(1,867,152)	-	1 August 2022	6.00	Quarterly
Debentures	1,130,100,000	(11,816,174)	-	23 November 2024	5.70	Quarterly
Borrowings from financial institutions	30,000,000	(249,589)	-	Monthly	MLR - 0.25	Monthly
				29 January 2022 - 29 December 2026		
Separate financial statements						
	Amount Baht	Prepaid arrange fee Baht	Prepaid Interest Baht	Maturity date	Interest rate %	Interest payment term
As at 31 December 2020						
Bills of exchange	120,000,000	(70,000)	(364,881)	21 January 2021	5.50	-
Debentures	300,000,000	(2,258,014)	-	29 November 2021	6.25	Quarterly
Debentures	300,000,000	(4,569,368)	-	1 August 2022	6.00	Quarterly
Debentures	800,000,000	(13,038,164)	-	27 November 2022	6.00	Quarterly

Borrowings from financial institutions

In 2021, borrowings from financial institutions incurred related interest expense amounting to Baht 2.49 million (2020: Baht 3.19 million).

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Borrowings:				
- at fixed rates	1,417,266,674	1,499,699,573	1,416,416,674	1,499,699,573
- at floating rates	51,465,589	70,630,105	29,750,411	-
Total borrowings	1,468,732,263	1,570,329,678	1,446,167,085	1,499,699,573

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

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Bills of exchange	-	6.47%	-	6.47%
Debentures	6.09% - 7.12%	6.91% - 7.15%	6.09% - 7.12%	6.91% - 7.15%
Short-term borrowings from others	7.50%	-	-	-
Long-term borrowings from financial institutions	4.81% - 6.09%	4.81% - 5.32%	6.09%	-

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

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Bills of exchange	-	119,565,119	-	119,924,642
Debentures	1,416,416,674	1,380,134,454	1,414,575,726	1,378,891,332
Short-term borrowings from others	850,000	-	850,000	-
Long-term borrowings from financial institutions	51,465,589	70,630,105	51,403,696	70,576,157
	1,468,732,263	1,570,329,678	1,465,979,422	1,569,392,131
	Separate financial statements			
	Carrying amounts		Fair values	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Bills of exchange	-	119,565,119	-	119,924,642
Debentures	1,416,416,674	1,380,134,454	1,414,575,726	1,378,891,332
Long-term borrowings from financial institutions	29,750,411	-	29,727,840	-
	1,446,167,085	1,499,699,573	1,444,303,566	1,498,815,974

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 (2020: 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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At call	850,000	-	-	-
Within 1 year	322,869,620	449,132,077	314,046,763	417,307,105
Between 1 year but not over 2 years	9,644,487	1,100,700,929	5,677,850	1,082,392,468
Between 2 years but not over 5 years	1,135,368,156	20,496,672	1,126,442,472	-
	1,468,732,263	1,570,329,678	1,446,167,085	1,499,699,573

26 Employee benefit obligations

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Present value of post-employment benefit obligations	8,601,293	7,727,684	7,595,772	7,034,878
Liability in the statement of financial position	8,601,293	7,727,684	7,595,772	7,034,878

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	7,727,684	3,733,082	7,034,878	3,666,326
Current service cost	816,282	379,584	509,291	298,067
Interest cost	57,327	69,860	51,603	67,686
Past service cost	-	725,835	-	725,835
Benefit paid	-	-	-	-
Loss on remeasurements	-	2,819,323	-	2,276,964
At 31 December	8,601,293	7,727,684	7,595,772	7,034,878

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Current service cost	816,282	379,584	509,291	298,067
Interest cost	57,327	69,860	51,603	67,686
Past service cost	-	725,835	-	725,835
Total (mainly included in administrative expense)	873,609	1,175,279	560,894	1,091,588

The amounts recognised in other comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Gain on remeasurements of employee benefit obligations				
Gain from change in financial assumptions	-	(125,373)	-	(103,139)
Gain from change in demographic assumption	-	(421,294)	-	(381,989)
Loss from change in plan experience	-	3,365,990	-	2,762,092

The principal actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 %	2020 %	2021 %	2020 %
Discount rate	0.72 - 1.60	0.72 - 1.48	1.43	0.73
Salary growth rate	3.00	3.00	3.00	3.00
Turnover rate (depends on range of ages)	0.00 - 32.00	0.00 - 32.00	0.00 - 32.00	0.00 - 32.00
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 2021 is as follows:

Consolidated financial statements			
Impact on defined benefit obligations			
	Change in assumptions %	Increase in obligation Baht	Decrease in obligation Baht
Discount rate	- 0.50	121,614	-
Discount rate	+ 0.50	-	115,117
Salary growth rate	- 0.50	-	112,683
Salary growth rate	+ 0.50	117,799	-
Mortality rate	- 0.50	680	-
Mortality rate	+ 0.50	-	680
Turnover rate	- 10.00	209,667	-
Turnover rate	+ 10.00	-	183,783
Separate financial statements			
Impact on defined benefit obligations			
	Change in assumptions %	Increase in obligation Baht	Decrease in obligation Baht
Discount rate	- 0.50	101,039	-
Discount rate	+ 0.50	-	95,378
Salary growth rate	- 0.50	-	92,765
Salary growth rate	+ 0.50	97,238	-
Mortality rate	- 0.50	506	-
Mortality rate	+ 0.50	-	506
Turnover rate	- 10.00	171,974	-
Turnover rate	+ 10.00	-	150,854

Sensitivity analysis of actuarial assumptions as at 31 December 2020 is as follows:

Consolidated financial statements			
Impact on defined benefit obligations			
	Change in assumptions %	Increase in obligation Baht	Decrease in obligation Baht
Discount rate	- 0.50	139,709	-
Discount rate	+ 0.50	-	132,917
Salary growth rate	- 0.50	-	93,098
Salary growth rate	+ 0.50	97,380	-
Mortality rate	- 0.50	532	-
Mortality rate	+ 0.50	-	531
Turnover rate	- 10.00	174,122	-
Turnover rate	+ 10.00	-	152,606
Separate financial statements			
Impact on defined benefit obligations			
	Change in assumptions %	Increase in obligation Baht	Decrease in obligation Baht
Discount rate	- 0.50	123,699	-
Discount rate	+ 0.50	-	117,540
Salary growth rate	- 0.50	-	80,875
Salary growth rate	+ 0.50	84,801	-
Mortality rate	- 0.50	428	-
Mortality rate	+ 0.50	-	427
Turnover rate	- 10.00	151,203	-
Turnover rate	+ 10.00	-	132,869

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 2021 and 2020 is as follows:

Consolidated financial statements					
2021					
	Less than 1 year Baht	1 - 3 years Baht	3 - 5 years Baht	Over 5 years Baht	Total Baht
Retirement benefit	5,579,333	1,484,680	-	5,912,603	12,665,213
Total	5,579,333	1,484,680	-	5,601,200	12,665,213
Consolidated financial statements					
2020					
	Less than 1 year Baht	1 - 3 years Baht	3 - 5 years Baht	Over 5 years Baht	Total Baht
Retirement benefit	5,579,333	-	1,484,680	3,228,920	10,292,933
Total	5,579,333	-	1,484,680	3,228,920	10,292,933
Separate financial statements					
2021					
	Less than 1 year Baht	1 - 3 years Baht	3 - 5 years Baht	Over 5 years Baht	Total Baht
Retirement benefit	5,579,333	-	-	5,011,159	10,590,492
Total	5,579,333	-	-	5,011,159	10,590,492
Separate financial statements					
2020					
	Less than 1 year Baht	1 - 3 years Baht	3 - 5 years Baht	Over 5 years Baht	Total Baht
Retirement benefit	5,579,333	-	-	2,638,879	8,218,212
Total	5,579,333	-	-	2,638,879	8,218,212

The weighted average duration of the retirement benefit is 4.33 - 13.15 years (2020: 5.33 - 14.15 years).

27 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	Transaction cost from increase of subsidiary's equity Baht	Total Baht
As at 1 January 2021	705,598,129	352,799,065	454,166,376	(9,678,120)	-	797,287,321
Issuance of ordinary shares	203,321,838	101,660,919	1,068,445,429	-	-	1,170,106,348
Stock dividend	53,030,300	26,515,150	-	-	-	26,515,150
Transaction cost from increase of subsidiary's equity	-	-	-	-	(3,885,750)	(3,885,750)
As at 31 December 2021	961,950,267	480,975,134	1,522,611,805	(9,678,120)	(3,885,750)	1,990,023,069
As at 1 January 2020	629,999,971	314,999,986	454,166,376	(9,678,120)	-	759,488,242
Stock dividend	75,598,158	37,799,079	-	-	-	37,799,079
As at 31 December 2020	705,598,129	352,799,065	454,166,376	(9,678,120)	-	797,287,321

	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 2021	705,598,129	352,799,065	454,166,376	806,965,441
Issuance of ordinary shares	203,321,838	101,660,919	1,068,445,429	1,170,106,348
Stock dividend	53,030,300	26,515,150	-	26,515,150
As at 31 December 2021	961,950,267	480,975,134	1,522,611,805	2,003,586,939
As at 1 January 2020	629,999,971	314,999,986	454,166,376	769,166,362
Stock dividend	75,598,158	37,799,079	-	37,799,079
As at 31 December 2020	705,598,129	352,799,065	454,166,376	806,965,441

For the year ended 31 December 2021

On 1 April 2021, the Company registered the change of paid-up share capital from Baht 352,799,064.50 to Baht 397,760,302.50 with the Department of Business Development, Ministry of Commerce which resulted from exercised warrants, CHAYO-W1 No. 4.

On 27 April 2021, the Annual General Meeting of Shareholders for the year 2021 passed a resolution to approve the registered capital decrease amounting to Baht 5,250,305.50 from the existing registered capital of Baht 468,298,721.50 to the new registered capital of Baht 463,048,416 by adjusting the unallocated 10,500,611 units ordinary shares at par value of Baht 0.50 per share and approve the increased in registered share capital by issuance of newly issued 273,878,611 ordinary shares at par value of Baht 0.50 totaling to Baht 136,939,305.50 from the existing shares capital of Baht 463,048,416 to a new registered capital of Baht 599,987,721.50 to serve for stock dividend payment, exercised warrants of CHAYO-W2, and exercised warrants of CHAYO-W1.

On 1 July 2021, the Company registered the change of paid-up share capital from Baht 424,275,452.50 to Baht 476,843,594 with the Department of Business Development, Ministry of Commerce which resulted from exercised warrants, CHAYO-W1 No. 5.

On 1 October 2021, the Company registered the change of paid-up share capital from Baht 476,843,594 to Baht 480,975,133.50 with the Department of Business Development, Ministry of Commerce which resulted from exercised warrants, CHAYO-W1 No. 6 and CHAYO-W2 No.1.

For the year ended 31 December 2020

On 30 October 2020, the Annual General Meeting of Shareholders No. 1/2020 approved the decrease in authorised share capital from Baht 10 million to Baht 3.5 million by deducting par value from Baht 100 per share to Baht 35 per share.

On 30 October 2020, the Annual General Meeting of Shareholders No. 1/2020 approved the increase in authorised share capital from Baht 3.5 million to Baht 7 million by issuing 100,000 ordinary shares at a par value of Baht 35 per share.

On 27 November 2020, the Extraordinary General Meeting of Shareholders No. 2/2020 approved the increase in authorised share capital from Baht 157 million to Baht 200 million by issuing 8.6 million ordinary shares at a par value of Baht 5 per share.

On 18 December 2020, the Extraordinary General Meeting of Shareholders No. 1/2020 approved the decrease in authorised share capital from 11 million shares to 550,000 shares by increasing par value from Baht 5 per share to Baht 100 per share.

28 Shares to be issued

On 30 December 2021, the Company received payment from exercised warrants, CHAYO-W1 No. 6 and CHAYO-W2 No. 2 amounting Baht 92,417,459. The Company has not yet registered the change to be paid-up share capital as at the period end.

29 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	12,583,811	8,636,100	12,583,811	8,636,100
Appropriation during the year	4,939,164	3,947,711	4,939,164	3,947,711
At 31 December	17,522,975	12,583,811	17,522,975	12,583,811

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.

30 Dividend

On 27 April 2021, the Annual General Meeting of Shareholders for the year 2021 passed a resolution to approve the dividend payment of 2020 to be paid from unappropriated retained earnings as at 31 December 2020, including cash dividend payment at the rate of Baht 0.0037037 per share amounting to Baht 2.95 million and stock dividend payment 53.03 million shares at par value of Baht 0.50 per share to the shareholders at the rate of 15 shares per 1 stock dividend amounting to Baht 26.52 million, equivalent to a dividend of Baht 0.0333333 per share. The Company paid stock dividend and cash dividend to the shareholders on 21 May 2021.

On 27 December 2021, the Extra General Meeting of Shareholders for 2/2564 passed a resolution to approve the dividend payment during the year to be paid from unappropriated retained earnings as at 30 June 2021, including cash dividend payment at the rate of Baht 0.0018519 per share amounting to Baht 1.81 million and stock dividend payment 32.63 million shares at par value of Baht 0.50 per share to the shareholders at the rate of 30 shares per 1 stock dividend amounting to Baht 16.31 million, equivalent to a dividend of Baht 0.0166667 per share. The Company paid stock dividend and cash dividend to the shareholders on 26 January 2022.

On 29 April 2020, the Annual General Meeting of Shareholders for the year 2020 passed a resolution to approve the dividend payment of 2019 to be paid from unappropriated retained earnings as at 31 December 2019, including cash dividend payment at the rate of Baht 0.0037 per share amounting to Baht 2.33 million and stock dividend payment 42 million shares at par value of Baht 0.50 per share to the shareholders at the rate of 15 shares per 1 stock dividend amounting to Baht 21 million, equivalent to a dividend of Baht 0.0333 per share. The Company paid stock dividend and cash dividend to the shareholders on 28 May 2020.

On 25 September 2020, the Extraordinary Meeting of Shareholders No.1/2563 passed a resolution to approve the dividend payment to be paid from unappropriated retained earnings as at 30 June 2020, including cash dividend payment at the rate of Baht 0.0028 per share amounting to Baht 2.45 million and stock dividend payment 44.10 million shares at par value of Baht 0.50 per share to the shareholders at the rate of 20 shares per 1 stock dividend amounting to Baht 22.05 million, equivalent to a dividend of Baht 0.0250000 per share. The Company paid stock dividend and cash dividend to the shareholders on 21 October 2020.

31 Interest income

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Interest income from loans to non-performing assets	641,859,586	417,248,392	73,089,108	10,221,442
Interest income from loan	13,595,401	7,547,271	-	-
Total	655,454,987	424,795,663	73,089,108	10,221,442

32 Other income

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Interest income	3,643,139	1,503,416	2,689,451	1,170,667
Interest income from short-term loan to related parties (Note 37.3)	-	-	105,592,349	54,795,135
Management fee income from related parties (Note 37.3)	-	-	34,800,000	32,400,000
Dividend income from related party (Note 37.3)	-	-	80,000,000	62,780,000
Rental income	762,000	635,000	186,000	62,000
Rental income from related parties (Note 37.3)	-	-	2,340,000	2,340,000
Gain on disposal of property, plant and equipment	1,571,128	-	(3,952)	-
Gain on disposal of financial assets at fair value through profit or loss	-	379,360	-	379,360
Social security compensation	1,455,000	-	909,000	-
Other income	1,993,682	1,506,111	100,347	199
Total	9,424,949	4,023,887	226,613,195	153,927,361

33 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Employee expenses	72,346,023	72,104,334	40,617,775	40,126,116
Debts collection expenses	107,006,143	64,254,208	6,132,086	841,628
Professional fees	7,489,076	6,515,541	4,562,654	4,220,471
Utility expenses	6,868,678	8,076,663	4,303,314	4,818,755
Depreciation and amortisation	6,901,362	6,466,124	4,116,395	3,437,302
Reversal on loss on impairment of investment	-	-	-	(2,000,000)
Costs of goods sold	21,100,798	1,664,352	-	-
Financial expenses	531,150	344,727	196,380	79,566
Insurance premium	332,829	273,223	174,848	122,244
Advertising expenses	2,332,096	4,526,380	2,325,407	1,814,213
Entertainment expenses	310,327	404,385	272,963	359,145
Expenses not deductible for tax purpose	451,249	470,721	15,506	35,148
Special business tax	5,117,915	7,549,950	-	-
Administrative expenses	2,347,500	995,000	1,927,500	890,000
Fee	7,341,692	3,802,881	2,430,619	2,134,063
Transaction cost from increase of subsidiary's equity	720,000	-	-	-
Other expenses	6,229,064	7,861,549	2,713,478	4,033,155
Total	247,425,904	185,310,038	69,788,925	60,911,806

34 Finance cost

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Interest and finance charges paid for lease liabilities				
Finance lease	292,776	164,806	213,862	113,008
Borrowings from financial institutions	3,040,333	3,320,746	278,767	-
Bills of exchange	434,881	7,528,499	434,881	7,528,499
Debentures	108,791,455	41,683,282	108,791,455	41,683,282
Short-term loans from related parties	154,028	4,275	-	-
Short-term loans from others	87,843	-	-	-
Total	112,801,316	52,701,608	109,718,965	49,324,789

35 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Current tax:				
Current tax on profits for the year	13,451,564	9,308,174	2,235,452	2,727,767
Total current tax	13,451,564	9,308,174	2,235,452	2,727,767
Deferred tax:				
Origination and reversal of temporary differences (Note 24)	32,266,600	31,197,933	1,304,568	1,389,600
Total deferred tax	32,266,600	31,197,933	1,304,568	1,389,600
Total tax expense	45,718,164	40,506,107	3,540,020	4,117,367

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Profit before tax	267,760,894	195,310,935	102,323,297	83,071,563
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%	53,380,553	39,650,019	20,464,659	16,614,313
Tax effect of:				
Income not subject to tax	-	-	(16,000,000)	(12,556,000)
Expenses additionally deductible for tax purpose	(169,167)	(189,077)	(152,173)	(144,702)
Utilisation of previously unrecognised tax losses	(159,527)	-	-	-
Non-tax deductible expenses	(850,215)	560,888	(1,262,013)	43,099
Revenue not recognised but subject to tax	(6,483,480)	484,277	489,547	160,657
Income tax expense	45,718,164	40,506,107	3,540,020	4,117,367

The weighted average applicable tax rate was 17.07% (2020: 20.74%).

36 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	
	2021	2020	2021	2020
Basic earnings per share				
Profit attributable to the ordinary equity holders of the company used in calculating basic (Baht)	218,998,989	155,353,886	98,783,277	78,954,196
Weighted average number of ordinary shares				
Weighted average number of ordinary shares (shares)	882,112,350	705,598,129	882,112,350	705,598,129
Adjustment from stock dividends (shares)	29,398,834	70,551,976	29,398,834	70,551,976
Weighted average number of ordinary shares used as the denominator in calculating basic earnings (shares)	911,511,184	705,598,129	911,511,184	705,598,129
Basic earnings per share (Baht per share)	0.2403	0.2002	0.1084	0.1017
Diluted earnings per share				
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share (Baht)	218,998,989	155,353,886	98,783,277	78,954,196
Weighted average number of ordinary shares				
Weighted average number of ordinary shares used as the denominator in calculating basic earnings (shares)	911,511,184	776,150,105	911,511,184	776,150,105
Adjustments for diluted earnings per share calculation:				
Warrants (shares)	85,591,295	21,768,165	85,591,295	21,768,165
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share (shares)	997,102,479	797,918,270	997,102,479	797,918,270
Diluted earnings per share (Baht per share)	0.2196	0.1947	0.0991	0.0990

As at 31 March 2021, there was an exercise of warrants, CHAYO-W1 No. 4 of 85,640,458 units converted to ordinary shares of 89,992,476 shares and they have been registered as paid-up share capital on 1 April 2021.

As at 30 June 2021, there was an exercise of warrants, CHAYO-W1 No. 5 of 86,817,746 units converted to ordinary shares of 105,136,283 shares and they have been registered as paid-up share capital on 1 July 2021.

As at 30 September 2021, there was an exercise of warrants, CHAYO-W1 No. 6 of 6,802,519 units converted to ordinary shares of 8,237,844 shares and there was an exercise of warrants, CHAYO-W2 No. 1 of 25,235 units converted to ordinary shares of 25,235 shares. They have been registered as paid-up share capital after the end of period.

As at 30 December 2021, there was an exercise of warrants, CHAYO-W1 No. 7 of 14,135,598 units converted to ordinary shares of 17,118,202 shares and there was an exercise of warrants, CHAYO-W2 No. 1 of 56,420 units converted to ordinary shares of 56,420 shares. They have been registered as paid-up share capital after the end of period.

The outstanding of warrants, CHAYO-W1 at the end of period is 16,602,443 units which can be converted to ordinary shares of 20,105,558 shares and they are considered to be diluted shares of 63,808,420 shares for the year ended 31 December 2021.

The outstanding of warrants, CHAYO-W2 at the end of period is 212,047,608 units which can be converted to ordinary shares of 212,047,608 shares and they are considered to be diluted shares of 21,782,875 shares for the year ended 31 December 2021.

The Company recalculates basic earnings per share for the period ended 31 December 2020 for the purpose of comparability in financial information, which is calculated by using weighted average number of ordinary shares as if the number of issued and paid-up share capital was changed as a result of share dividend to be consistent with the change in the number of issued and paid-up share capital during the period ended 31 December 2021.

37 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 31.92% (2020: 52.49%) of total shares.

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

	Relationship
Chayo Asset Management Co., Ltd.	Subsidiary
Chayo Property and Service Co., Ltd.	Subsidiary
Chayo Capital Co., Ltd.	Subsidiary
555 Shopping Co., Ltd.	Subsidiary
Chayo JV Asset Management 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
Mr. Nattawat Yasasin	Shareholder and Lessor of building

The following transactions were carried out with related parties:

37.1 Service income from debts collection

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Subsidiaries	-	-	1,252,494	6,125,495
	-	-	1,252,494	6,125,495

37.2 Costs of rendering services and managing non-performing assets

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Rental expense				
Key management	168,000	168,000	-	-
	168,000	168,000	-	-

37.3 Other income

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
<u>Rental income</u>				
Subsidiaries	-	-	2,340,000	2,340,000
	-	-	2,340,000	2,340,000
<u>Management fee income</u>				
Subsidiaries	-	-	34,800,000	32,400,000
	-	-	34,800,000	32,400,000
<u>Dividend income</u>				
Subsidiary	-	-	80,000,000	62,780,000
	-	-	80,000,000	62,780,000
<u>Interest income</u>				
Subsidiaries	-	-	105,592,349	54,795,135
	-	-	105,592,349	54,795,135

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
<u>Receivables</u>				
Subsidiaries	-	-	2,879,403	7,246,896
Total amounts due from related parties (Note 12)	-	-	2,879,403	7,246,896
<u>Interest receivables</u>				
Subsidiaries	-	-	167,888,229	79,820,237
Total interest receivables from related parties (Note 12)	-	-	167,888,229	79,820,237
<u>Payables</u>				
Subsidiaries	-	-	197,618	202,223
Total amounts due to related parties (Note 24)	-	-	197,618	202,223
<u>Lease liabilities</u>				
Individual	1,550,000	-	1,550,000	-
Total amounts due to related parties	1,550,000	-	1,550,000	-
<u>Interest payables</u>				
Individual	-	4,274	-	-
Total amounts due to related parties	-	4,274	-	-

37.5 Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	-	-	1,321,200,100	688,200,100
Loan advanced during the year				
Subsidiaries	-	-	1,034,799,900	733,000,000
Loan repayments during the year				
Subsidiaries	-	-	(262,200,100)	(100,000,000)
At 31 December	-	-	2,093,799,900	1,321,200,100

As at 31 December 2021 and 2020, 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 (2020: 6% per annum).

37.6 Short-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	13,000,000	-	-	-
Loans advanced during the year				
Individuals	2,000,000	13,000,000	-	-
Loans repayment received				
Individuals	(15,000,000)	-	-	-
At 31 December	-	13,000,000	-	-

As at 31 December 2021, short-term loans from related parties is due for repayments at call and bears an interest rate of 6% per annum (2020: 6% per annum).

37.7 Key management remunerations

For the years ended 31 December 2021 and 2020, benefits to key management personnel are as follows:

	Consolidated and Separate financial statements	
	2021 Baht	2020 Baht
Salaries and other short-term employee benefits	18,481,500	16,173,600
Post-employment benefits	420,475	270,299
Total	18,901,975	16,443,899

38 Commitments

The Group and the Company have commitments as follows:

38.1 Commitments under rental and service contracts

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Not later than 1 year	338,860	433,741	289,460	318,480
Later than 1 year but not later than 3 years	-	-	-	-
Total	338,860	433,741	289,460	318,480

38.2 Letter of guarantees

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Letter of guarantees	3,045,800	2,929,469	2,225,208	2,111,680
Total	3,045,800	2,929,469	2,225,208	2,111,680

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.

39 Event after reporting period

Chayo Group Public Company Limited

On 4 January 2022, the Company registered the change of paid-up share capital from Baht 480,975,133.50 to Baht 489,562,444.50 with the Department of Business Development, Ministry of Commerce which resulted from exercised warrants, CHAYO-W1 No. 7 and CHAYO-W2 No.2.

Chayo Capital Company Limited

In February 2021, Chayo Capital Co., Ltd. (Subsidiary) signed loan agreements amounting to Baht 100 million with financial institutions in the country. The withdrawals of loan agreements were subject to the conditions, periods, and methods which financial institutions required. The Company and Thai Credit Guarantee Corporation has fully guaranteed for the loan agreements.



Part

4

Attachments

Details of Directors, Controlling Persons, Executives, Persons who were Assigned the Highest Responsibility in Accounting and Finance, Company Secretary

1. Name – Surname : Assistant Professor Wuttisak Larbcharoensub **Age** : 72 years

Position : Chairman of the Board/ Independent Director

Date of Appointment : Appointed on 5 November 2015

Educational Background :

- Master of Arts (Political Science), University of Chicago, USA.
- Bachelor of Political Science (Honors), Chulalongkorn University

Training History :

- Director Accreditation Program (DAP), Class of 80/2009, Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP), Class of 126/2009, Thai Institute of Directors Association (IOD)

Shareholding proportion of the Company's shares as of 31 December 2021 : None

Family Relationship among Executives : None

Work Experiences within the last 5 years

Period	Position	Name of Organization/Company	Business Type
2015 - Present	Chairman of the Board / Independent Director	Chayo Group Public Company Limited	Non-performing asset management service, debt collection services and debts tracking
2014 - Present	Director	The Post Publishing Public Company Limited	Publisher and distributor of Bangkok Post newspaper
2020 - Present	Executive Director of Reinforcement National Honesty Project	The Reinforcement National Honesty Project	Government Agency
2016 - 2020	Chancellor	Ramkhamhaeng University	Educational Institution
2020 - Present	Chairman of Committee of the University Affairs Advocacy	Ramkhamhaeng University	Educational Institution
2014 - 2019	Member of National Legislative Assembly	National Legislative Assembly	Government Agency

Director Accreditation Program (DAP), Class of 80/2009, Thai Institute of Directors Association (IOD)

Director Certification Program (DCP), Class of 126/2009, Thai Institute of Directors Association (IOD)

2. Name – Surname : Air Chief Marshal Arnon Jarayapant **Age** : 66 years

Position : Director/ Independent Director/ Chairman of the Audit Committee/
Chairman of Nomination and Remuneration Committee

Date of Appointment : Appointed on 5 November 2015

Educational Background :

- Air War College, Class of 38
- National Defence College, Class of 51
- Air Command and General Staff College, Class of 35
- Squadron Officer School, Class of 58
- Royal Thai Air Force Academy, Class of 22

Training History :

- Advanced Certificate Course in Promotion of a Peaceful Society (King Prajadhipok's Institute), Class 2
- Director Accreditation Program (DAP), Class of 124/2016, Thai Institute of Directors Association (IOD)

Shareholding proportion of the Company's shares as of 31 December 2021 : None

Family Relationship among Executives : None

Work Experiences within the last 5 years			
Period	Position	Name of Organization/Company	Business Type
2021 - Present	Chairman of the Audit Committee	Chayo Group Public Company Limited	Non-performing asset management service, debt collection services and debts tracking
2015 - Present	Director/ Chairman of Nomination and Remuneration Committee/ Independent Director	Chayo Group Public Company Limited	
2014 - 2018	Director	Metropolitan Electricity Authority	State Enterprise
2014 - 2019	Member of National Legislative Assembly	National Legislative Assembly	Government Agency
2014	Deputy Commander-in-Chief	Royal Thai Air Force	Government Agency

3. Name – Surname : Mr. Teeranut Thangsatapornpong **Age** : 48 years

Position : Director/ Independent Director/ Audit Committee /Chairman of the Risk Management Committee/
Chairman of the Corporate Governance Committee/ Member of Nomination and Remuneration Committee

Date of Appointment : Appointed on 5 November 2015

Educational Background :

- Master of Economics, Thammasat University
- Bachelor of Laws Program, Sukhothai Thammathirat Open University
- Bachelor of Accountancy Program, Sukhothai Thammathirat Open University
- Bachelor of Economics, Thammasat University

Training History :

- Director Certification Program (DCP), Class of 161/2012, Thai Institute of Directors Association (IOD)

Shareholding proportion of the Company's shares as of 31 December 2021 : 0.03

Family Relationship among Executives : None

Work Experiences within the last 5 years			
Period	Position	Name of Organization/Company	Business Type
2015 - Present	Director/ Independent Director/ Chairman of the Risk Management Committee/ Chairman of the Corporate Governance Committee/ Audit Committee/ Nomination and Remuneration Committee	Chayo Group Public Company Limited	Non-performing asset management service, debt collection services and debts tracking
2019 - Present	Director	Hinsitsu Precision (Thailand) Company Limited	Manufacture of other processed products made of paper
2018 - Present	Director	Simat Label Company Limited	Information technology service business
2018 - Present	Director	Simat Label Company Limited	Publishing business, printing, stickers (Label), various electronic chips
2018 - Present	Director/ Chairman of Risk Management Committee/ Executive Committee/ Chief Financial Officer	Hinsitsu (Thailand) Company Limited	Produce color printing stickers on plastic sheets
2017 - Present	Independent Director / Audit Committee	Filter Vision Public Company Limited	Distribution of products and services for materials used for water filtration
2015 - 2016	Assistant Managing Director	KTB Securities (Thailand) Company Limited	Brokerage

4. Name – Surname : Mrs. Rosporn Sooksomporn **Age** : 66 years
Position : Director/ Independent Director/ Audit Committee
Date of Appointment : Appointed on 5 November 2015

Educational Background :

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

Training History :

- Director Accreditation Program (DAP), Class 124/2016, Association for Promotion
- Thai Institute of Directors (IOD)
- Financial and Fiscal Management Program for Senior Executive, Class 2
- Chief Information Office (CIO) , Class 25
- The Programme for Senior Executives on Justice Administration, Class 14
- The Civil Service Executive Development Program : Visionary and Moral Leadership, Class 54
- Formation of the Internal Control System Workshop, Class 2

Shareholding proportion of the Company's shares as of 31 December 2021 : 0.03

Family Relationship among Executives : None

Work Experiences within the last 5 years

Period	Position	Name of Organization/Company	Business Type
2015 - Present	Director/ Independent Director/ Audit Committee	Chayo Group Public Company Limited	Non-performing asset management service, debt collection services and debts tracking
2013 – 2015	Deputy Director General	Legal Execution Department	Government Agency

5. Name – Surname : Mr. Vitthaya Inala **Age** : 63 years

Position : Director

Date of Appointment : Appointed on 5 November 2015

Educational Background :

Doctor of Philosophy Program in Development and Organizational Change, Cebu Doctors' University, Philippines

Master of Economics Program, National Institute of Development Administration

Bachelor of Education Program in Chemistry, Mahasarakham University

Training History :

Diploma of Leadership program, University of California, Berkeley, The United States Of America

Top Executive Program, Capital Market Academy

Class of 13 (CMA 13)

Shareholding proportion of the Company's shares as of 31 December 2021 : 0.25% (a spouse is Mrs. Pim Inala, holding 0.43%)

Family Relationship among Executives : None

Work Experiences within the last 5 years			
Period	Position	Name of Organization/Company	Business Type
2015 - Present	Director	Chayo Group Public Company Limited	Non-performing asset management service, debt collection services and debts tracking
2014 - 2016	Director	Chayo Property & Service Company Limited	Non-performing asset management
1992 - Present	Chief Executive Officer	Megachem (Thailand) Public Company Limited	Comprehensive chemical distribution and consulting services
2019 - Present	Managing Director	PRIME INDEX COMPANY LIMITED, Republic of the Union of Myanmar	Selling chemicals
2018 - Present	Managing Director	Megachem (Myanmar) Limited, Republic of the Union of Myanmar	Chemical Products and Consulting Business
2018 - Present	The Chairman of Executive Committee	Mega Chem Plus Company Limited	Wholesale of industrial chemicals

6. Name – Surname : Mr. Seksan Rangsiyeranon **Age** : 56 years

Position : Director/ Risk Management Committee/ Executive Committee/ A Director's authority to bind a Company

Date of Appointment : Appointed on 5 November 2015

Educational Background :

- Master of Political Science, Ramkhamhaeng University
- Bachelor of Business Administration (Construction Management),
- Sukhothai Thammathirat Open University

Training History :

- RTAF & CEO Relationship Program Class 14, Royal Thai Air Force
- The Civil Service Executive Development Program Class 6,
- The Bureau Of The Budget
- Advanced Certificate Course in Public Economics Management for Executives Class 15, King Prajadhipok's Institute
- Advanced Security Management Program Class 9: ASMPq, Thailand National Defence College

Shareholding proportion of the Company's shares as of 31 December 2021 : 0.003%

Family Relationship among Executives : None

Work Experiences within the last 5 years			
Period	Position	Name of Organization/Company	Business Type
2015 - Present	Director/ Risk Management Committee/ Executive Committee	Chayo Group Public Company Limited	Non-performing asset management service, debt collection services and debts tracking
2020 - Present	Director	Summer Solution Company Limited	Manufacture of fabricated metal products
2005 - Present	General Director (General Director)	Bangkok Water Pollution Service Company Limited	Wholesale and retail sale of motor vehicles and motorcycles
2004 - Present	The Chairman of Executive Committee	Pornsiam Consultant and Service Company Limited	Other services related to real estate

7. Name – Surname	:	Mr. Suksan Yasasin	Age :	60 years
Position	:	Vice Chairman/ Risk Management Committee/ Corporate Governance Committee/ Nomination and Remuneration Committee/ Chairman of Executive Committee/ Chief Executive Officer/ A Director's authority to bind a Company		
Date of Appointment	:	Appointed on 4 December 1997		
Educational Background	:	<ul style="list-style-type: none"> • Master of Political Science, Ramkhamhaeng University • Bachelor of Laws, Sripatum University 		
Training History	:	<ul style="list-style-type: none"> • Role of the Chairman Program (RCP) Class 40/2017, Thai Institute of Directors Association (IOD) • Financial Statements for Directors (FSD) Class 31/2016, Thai Institute of Directors Association (IOD) • Course of Thailand Insurance Leadership Program, (OIC6), Office of Insurance Commission • Director Certification Program (DCP), Class of 224/2016, Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP), Class of 121/2015, Thai Institute of Directors Association (IOD) • Financial and Fiscal Management Program for Senior Executive, Class 2, The Comptroller General's Department, Ministry of Finance • Institute of Security Psychology, National Defence Studies Institute, Course of Executive Relationship Development by Royal Thai Armed Forces, Class 5 • Course of Pillar of The Kingdom, Political Chief Leadership follow royal projects by His majesty the King, Class 2 • Intermediate Certificate course of Young Leadership in Democratic Governance, King Prajadhipok's Institute • Institute of Security Psychology, National Defence Course, Class 96 • Air Command and General Staff College, course of Executive Relationship • Chief Executive Course, Capital Market Academy (CMA 25), Class 25 		
Shareholding proportion of the Company's shares as of 31 December 2021	:	34.52%		
Family Relationship among Executives	:	Brother of Mrs. Pim Pattamasing Na Ayuthaya		

Work Experiences within the last 5 years			
Period	Position	Name of Organization/Company	Business Type
1997 - Present	Vice Chairman/ Risk Management Committee/ Corporate Governance Committee/ Nomination and Remuneration Committee/ Chairman of Executive Committee/ Chief Executive Officer	Chayo Group Public Company Limited	Non - performing asset management service, debt collection services and debts tracking
2020 - Present	Director/ Executive Committee	Chayo JV Asset Management Company Limited	Buying or accepting transfer of non-performing assets of financial institutions
2020 - Present	Director/ Executive Committee	555 Shopping Company Limited	Selling products online
2018 - Present	Director/ Executive Committee	Chayo Capital Company Limited	Small loan business and other credits not classified elsewhere
2009 - Present	Director/ Executive Committee	Chayo Asset Management Company Limited	Non-performing asset management
2000 - Present	Director/ Executive Committee	Chayo Property and Service Company Limited	Call center services

8. Name – Surname : Mr. Kittit Tungswong **Age** : 52 years

Position : Director /Risk Management Committee/ Nomination and Remuneration Committee
Director/ Deputy Chief Executive Officer/ Company Secretary/ Managing Director of Business Development Division/ A Director's authority to bind a Company

Date of Appointment : Appointed on 30 April 2019

Educational Background :

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

Training History :

- Director Certification Program (DCP), Class of 43/2004, Thai Institute of Directors Association (IOD)
- Advanced Certificate of course in Public Economic Management for Executives,
- Advanced Certificate of course in Public Economic Management for Executives, Class 9, King Prajadhipok's Institute
- Debts Restructuring Program, Chulalongkorn University
- Strategy CFO, Class of 4/2018, The Stock Exchange of Thailand
- Chief Executive Course, Capital Market Academy Class 28 (CMA28)
- mai Sustainability Strategy Program 2020 The Stock Exchange of Thailand

Shareholding proportion of the Company's shares as of 31 December 2021 : 0.77%

Family Relationship among Executives : None

Work Experiences within the last 5 years			
Period	Position	Name of Organization/Company	Business Type
2016 - Present	Director/ Risk Management Committee/ Nomination and Remuneration Committee/ Executive Committee/ Deputy Chief Executive Officer/ Company Secretary/ Acting Managing Director of Business Development	Chayo Group Public Company Limited	Non-performing asset management service, debt collection services and debts tracking
2020 - Present	Independent Director/ Chairman of the Audit Committee	Roong Rueang Forever Public Company Limited	Online platform type of "read-write novels, cartoons, online books"
2020 - Present	Director/ Executive Committee	Chayo JV Asset Management Company Limited	Buying or accepting transfer of non-performing assets of financial institutions
2020 - Present	Director/ Executive Committee	555 Shopping Company Limited	Selling products online
2018 - Present	Director/ Executive Committee	Chayo Capital Company Limited	Small loan business and other credits not classified elsewhere
2018 - Present	Director/ Executive Committee	Chayo Property and Service Company Limited	Call center services

9. Name – Surname : Mrs. Pim Pattamasing Na Ayuthaya **Age** : 50 years

Position : Director/ Risk Management Committee/ Corporate Governance Committee/ Managing Director of Administrative Support Division/
A Director's authority to bind a Company

Date of Appointment : Appointed on 4 December 2003

Educational Background :

- Master of Real Estate Development, Thammasat University
- Bachelor of Accountancy (Accounting), Dhurakij Pundit University
- Bachelor of Laws, Phranakhon Rajabhat University

Training History :

- Director Accreditation Program (DAP), Class of 121/2015, Thai Institute of Directors Association (IOD)
- Graduate Diploma in Property Valuation, Thammasat University
- Diploma from Institute of Security Psychology, Class 103
- RTAF & CEO Relationship Class 007

Shareholding proportion of the Company's shares as of 31 December 2021 : 0.94%

Family Relationship among Executives : The younger sister of Mr. Suksan Yasasin.

Work Experiences within the last 5 years			
Period	Position	Name of Organization/Company	Business Type
2003 - Present	Director/ Risk Management Committee/ Corporate Governance Committee/ Executive Committee/ Managing Director of Administrative Support Division	Chayo Group Public Company Limited	Non-performing asset management service, debt collection services and debts tracking
2020 - Present	Director/ Executive Committee	Chayo JV Asset Management Company Limited	Buying or accepting transfer of non-performing assets of financial institutions
2020 - Present	Director/ Executive Committee	555 Shopping Company Limited	Selling products online
2018 - Present	Director/ Executive Committee	Chayo Capital Company Limited	Small loan business and other credits not classified elsewhere
2009 - Present	Director/ Executive Committee	Chayo Asset Management Company Limited	Non-performing asset management
2000 - Present	Director/ Executive Committee	Chayo Property and Service Company Limited	Call center services

Details of a person who was assigned the highest responsibility in Accounting and Finance and Company Secretary

(as of 31 December 2021)

Name - Surname	Age (Year)	Educational Background / Training history	Shareholding Proportion (Percent)	Family Relationship among Executives	Work Experiences within the last 5 years		
					Period	Position	Company Name / Organization Name
1. Mr. Nattapol Thipchatchawanwong - Director - Chief Financial Officer ^{1/}	37	- Master of Commerce and Accountancy Management, Chulalongkorn University - Bachelor of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University	0.05	None	2018 - Present	Director	Chayo Capital Company Limited
					2016 - Present	Director / Chief Financial Officer	Chayo Group Public Company Limited
					2009 - 2016	Partner	PLP Auditing Office Company Limited
2. Mr. Samanpong Kleanglamyong - Managing Director of Asset Management	60	- Master's degree, Faculty of Business Administration Business Administration, University of Thai Chamber of Commerce	None	None	2021 - Present	Managing Director of Asset Management	Chayo Group Public Company Limited
					2002 - Present	Deputy Managing Director	Small and Medium Enterprise Development Bank of Thailand

Name - Surname	Age (Year)	Educational Background / Training history	Shareholding Proportion (Percent)	Family Relationship among Executives	Work Experiences within the last 5 years		
					Period	Position	Company Name / Organization Name
3. Ms. Narumol Toprapat - Managing Director of Service Department, Chayo Property and Service Company Limited	37	- Bachelor of Business Administration Program in Human Resources Management Rajamangala University of Technology Phra Nakhon, the Bangkok Commercial College	0.01	None	2019 - Present	Acting Managing Director of Service Department, Chayo Property and Service Company Limited	Chayo Property and Service Company Limited
					2005 - 2019	Acting Managing Director of Management Support Service / Executive Secretary	Chayo Group Public Company Limited
4. Ms. Waraporn Intanu - Managing Director of Service Department, Chayo Group Public Company Limited	42	- Bachelor of Science Program in Entomology, Kasetsart University	0.01	None		<u>Group Companies</u>	
					2019 - Present	Acting Managing Director of Service Division	Chayo Group Public Company Limited
					2001 - 2019	Service Manager	Chayo Group Public Company Limited_
5. Ms. Naowarat Sangkrot - Director - Finance Manager	41	- Bachelor of Accountancy, Dhurakij Pundit University	0.01	None	2004 - Present	Director / Finance Manager	Chayo Group Public Company Limited
6. Ms. Siriporn Detnitirat - Accounting Manager	48	- Bachelor of Accountancy, University of Thai Chamber of Commerce - Master of Business Administration Ramkhamhaeng University	None	None	2021 - Present	Accounting Manager	Chayo Group Public Company Limited
					2005 - 2020	Director of Accounting and Finance	MFAC Public Company Limited

Name - Surname	Age (Year)	Educational Background / Training history	Shareholding Proportion (Percent)	Family Relationship among Executives	Work Experiences within the last 5 years		
					Period	Position	Company Name / Organization Name
7. Mr. Kitti Tungsriwong Company Secretary	52	<ul style="list-style-type: none"> - Master of Science (Real Estate Business), Thammasat University - Bachelor of Accountancy (Cost Accounting) University of Thai Chamber of Commerce <u>Training</u> <ul style="list-style-type: none"> - Director Certification Program (DCP), Class of 43/2004, Thai Institute of Directors Association (IOD) - Advanced Certificate Course in Public Economics Management for Executives - Advanced Certificate of course in Public Economic Management for Executives, Class 9, King Prajadhipok's Institute - Debts Restructuring Program, Chulalongkorn University - Strategy CFO, Class of 4/2018, The Stock Exchange of Thailand - Chief Executive Course, Capital Market Academy Class 28 (CMA28) - mai Sustainability Strategy Program 2020, The Stock Exchange of Thailand 	0.77	None	2016 - Present	Director/ Risk Management Committee/ Nomination and Remuneration Committee/ Executive Committee/ Deputy Chief Executive Officer/ Company Secretary/ Acting Managing Director of Business Development	Chayo Group Public Company Limited
					2020 - Present	Independent Director/ Chairman of the Audit Committee	Roong Rueang Forever Public Company Limited

Attachments 2

Details of Directors of Subsidiaries

Name – Surname	CHAYO	Chayo AMC	Chayo Property & Service	Chayo Capital	555 Shopping	CHAYO JV
Mr. Wuttisak Larbcharoensub	C, ID	-	-	-	-	-
Mr. Suksan Yasasin	D, RC, CG, NRC, EXC, A	D, A	D, A	D, A	D, A	-
Mrs. Pim Pattamasing Na Ayuthaya	D, RC, CG, EXC, A	D, A	D, A	D, A	D, A	-
Mr. Seksan Rangsiyeranon	D, RC, EXC, A	-	-	-	-	-
Mr. Vitthaya Inala	D	-	-	-	-	-
Mrs. Rosporn Sooksomporn	D	-	-	-	-	-
Mr. Teeranut Thangsatapornpong	ID, AC, RC, CG, NRC	-	-	-	-	-
Air Chief Marshal Arnon Jarayapant	ID, AC, NRC	-	-	-	-	-
Mr. Kittit Tungsiwong	D, RC, NRC, EXC, A	-	D, A	D, A	D, A	D, A
Mr. Nattapol Thipchatchawanwong	RC, EXC	-	-	D, A	-	-
Ms. Narumol Toprapat	-	D, A	-	-	-	-
12. Ms. Naowarat Sangkrot	EXC	-	-	-	-	-

C = Chairman of the Board

D = Director

ID = Independent Director

AC = Audit Committee

RC = Risk Management Committee

NRC = Nomination and Remuneration Committee

CG = Corporate Governance Committee

EXC = Executive Committee

A = Authorized Director

Attachments 3

Details of the Head of Internal Audit

The Company has appointed KPS Audit Company Limited (“KPS”) as an internal audit with Mr. Wiwat Limnantasins, KPS Managing Director, as the head of internal audit. The details of the internal auditors are as follows.

Name-Surname / Position	Age (Years)	Educational Background / Training History	Shareholding Proportion (Percent)	Family Relationship among Executives	Work Experiences within the last 5 years		
					Period	Position / Company Name / Business Type	Business Type
1. Mr. Wiwat Limnantasins- Partner	51	<ul style="list-style-type: none"> Bachelor of Business Administration Program in Accounting, Faculty of Business Administration, Ramkhamhaeng University Certificated Professional Internal Auditors of Thailand – CPIAT (Class 12) Member of the Institute of Internal Auditors of Thailand (IIAT) Training <ul style="list-style-type: none"> CAE Chief Audit Executive Professional Leadership Program Class 1 Value Creation and Enhancement for Listed Companies with the New COSO 2017 Enterprise Risk Management (ERM) - Strategy and Objective Setting using Balanced Scorecard (BSC) Anti-Corruption: The Practical Guided/Thai Institute of Directors Detecting and preventing corporate “Fraud” / The Asia Business Forum Tools and Techniques for the audit manager Assessing Business Risk: The Gateway to Value-Added Results 	None	None	2015 - Present	Partner / Company Limited KPS Audit Company Limited / Internal Audit Business Consulting Services	Transportation and Logistics Business/ Finance Business / Industrial Business / Energy Business (Trading) / Media and Publishing Business / Renewable Energy Business / Construction Business/ Commercial Business / Telecommunication Business
					2011 - 2015	Internal Audit Specialist / Thaicom Public Company Limited / Telecommunication Business	Telecommunication Business

Name-Surname / Position	Age (Years)	Educational Background / Training History	Shareholding Proportion (Percent)	Family Relationship among Executives	Work Experiences within the last 5 years		
					Period	Position / Company Name / Business Type	Business Type
		<ul style="list-style-type: none"> CIA Preparation Part1 – 3 Training Course Quality Management System Auditor / Lead Auditor Training Course Certificate QMS ISO9001:2000/2008 / ISO/IEC27001:2005 Training Course QMS Internal Audit Training Course Setting Goals & Reviewing Results and Communicating for Leadership Success / DDI-Asia / Pacific International Ltd. Effective Internal Control for Success IPO by the Stock Exchange of Thailand 					
2. Mr. Nantachai Siripan – Audit Manager of Information Technology	38	<ul style="list-style-type: none"> Bachelor of Engineering Program in Computer Engineering, Kasetsart University Master of Science Program in Information Technology, Information Technology and Management Department, King Mongkut's Institute of Technology Ladkrabang CISA Training ISO/IEC 27001 Training ISO Leadership ISO/IEC27001 – Network security Training 	None	None	2016 - Present	Manager, Information and Communication Technology Audit Department / KPS Audit Company Limited / Provide internal audit and business consulting services	Transportation and Logistics Business / Finance Business / Industrial Business / Construction services Business / Commercial Business / Telecommunication business /

The scope of work of the the internal auditors

and the opinions of the Audit Committee on the experiences of the internal auditors of KPS are as follows:

Topic	Outsider Internal Auditors
Internal Auditor	Mr. Wiwat Limnantasini (The person who in charge of Internal Audit) KPS Audit Company Limited.
Position	Partner
Internal Auditor's Experiences	Approximately 27 years
Audit Committees' Opinion on the Internal Auditor's Experiences	Mr. Wiwat Limnantasini possess good knowledge as well as good experiences in conducting the Company's Internal Audit.
Responsibilities	Auditing each systems of the Company as determined or deemed appropriate by the Audit Committee, including jointly submitting an annual internal audit plan to the Audit Committee for consideration. This includes a report on the results of the audit and propose guidelines for improvement and/or correction for the Board of Directors acknowledgement every quarter or as determined by the Board of Directors.

Attachments 4

- **Operating Assets**

The details are shown in Part 1: Business Operations and Business Performance Page 42 - 43.



- **Corporate Governance and Business Code of Conduct Policy and Practice Guidelines**

The details are shown in Part 2: Corporate Governance Page ... -

Report of the Audit Committee

The Audit Committee of Chayo Group Public Company Limited consists of the following members:

- | | | |
|----------------------------|-------------------|---------------------------------|
| 1. Air Chief Marshal Arnon | Jarayapant | Chairman of the Audit Committee |
| 2. Mr. Teeranut | Thangsatapornpong | Audit Committee |
| 3. Mrs. Rosporn | Sooksomporn | Audit Committee |

In 2021, the Audit Committee held a total of 4 meetings, with all directors performing their duties in accordance with the scope of their responsibilities specified in the Audit Committee Charter and has reported the meeting results to the Board of Directors for every meeting conducted. The key points can be summarized as follows:

1. Review the Company's financial reporting process to ensure that it is accurate and adequately disclosed by coordinating with external auditors and management responsible for preparing both quarterly and annual financial reports. This includes to consider financial statements and financial reports that are relevant to accounting principles, accounting practices, compliance with accounting standards, the existence of the entity, and major accounting policy changes, including the reasons of the management regarding the determination of accounting policies before presenting them to the Board of Directors for dissemination to shareholders and general investors.
2. Establish guidelines and review the Company to have an internal control system and an internal audit system that are appropriate and effective. This can be done by reviewing with external auditors and internal auditors, reviewing the Company's annual internal audit plan and evaluating the audit with the auditors and internal auditors on problems or limitations arising from the audit of the financial statements, electronic data processing control planning and data security to prevent fraud or misuse of computers by Company's employees or third parties, and considering the independence of the internal audit unit as well as approving the consideration of appointment, transfer, or termination of the head of the internal audit unit or any other unit responsible for internal audits.
3. Review the Company's operations to be in accordance with the Securities and Exchange Act, Regulations of the Stock Exchange of Thailand or laws related to the Company's business, as well as having duties and responsibilities in accordance with the regulations and rules of the Office of the Securities and Exchange Commission, including the Stock Exchange of Thailand.
4. Consider, select, propose, appoint and terminate the employment of independent persons to act as the Company's auditors, including considering and proposing the auditor's remuneration, taking into account reliability, resource sufficiency and the amount of audit work of the auditing office, the experience of personnel assigned to audit the Company's accounts, including attending a meeting with the auditor without the management at least once a year.
5. Consider and approve the connected transactions and/or the acquisition or disposition of the Company's assets or a subsidiary, including considering the disclosure of the Company's information. In the event of a connected transaction or a transaction that may have a conflict of interest, it shall be accurate and complete. This includes considering and approving such transaction to be presented to the Board of Directors' meeting and/or the Company's shareholders' meeting. This is to comply with the provisions of the relevant laws and to ensure that the transaction is reasonable and in the best interest of the Company.

6. Prepare a report on the activities of the Audit Committee and disclose on the Company's annual report as follows:
 - Opinions on the accuracy, completeness, and reliability of the Company's financial reports.
 - Opinions on the adequacy of the Company's internal control system.
 - Opinions on compliance with Securities and Exchange Law, stock exchange requirements or laws related to the Company's business.
 - Opinions on the suitability of the auditor.
 - Opinions on transactions that may subject to conflicts of interest.
 - Number of Audit Committee Meetings and attendance of each Audit Committee Member
 - Overall opinions or observations received by the Audit Committee in performing duties as prescribed in the Charter.
 - Other reports that the shareholders and general investors shall be acknowledged.
7. Report the activities of the Audit Committee to the Board of Directors as follows:
 - Items that have or may cause conflicts of interest.
 - Suspicion or assumption that there may be a fraud, abnormality or any major defects in the internal control system.
 - Suspicion of a violation of any law or regulation of the Securities and Exchange Commission and/or the Stock Exchange of Thailand or laws related to the Company's business.
 - Any other reports that the Board of Directors shall be acknowledged.
8. After the Audit Committee has been notified by the auditor that, in the event that the auditor detects suspicious circumstances that a director, manager, or person responsible for the operation of the Company has committed an offense in connection with duties and responsibilities under the Securities and Exchange Act, Section 281/2 paragraph two, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313, the Audit Committee shall conduct an audit and report the results of the preliminary inspection to the Office of the Securities and Exchange Commission and the auditor within 30 days from the date of receiving the notification from the auditor.
9. The Audit Committee has the power to seek independent opinions from any other professional advisor when deemed necessary.
10. The Audit Committee has the power to invite the management or other related persons to provide opinions, attend meetings or provide relevant information or request information from each departments of the Company for further consideration in various matters.
11. Review and update the Audit Committee Charter regularly and propose to the Board of Directors for approval.
12. Perform any other tasks as assigned by the Board of Directors and/or with the approval of the Audit Committee, such as reviewing financial and risk management policies, reviewing management's compliance with the Code of Business Conduct, such as reports and management's analysis, etc. The power to make the Audit Committee or a person authorized by the Audit Committee able to vote and give opinions on items that the Audit Committee or the person authorized by the Audit Committee or persons who may have conflicts according to the Notification of the Securities and Exchange Commission and/or the Stock Exchange of Thailand have a stake or conflict of interest in the Company and/or its subsidiaries and/or related companies.

In this regard, in 2021, the Audit Committee held a meeting between non-executive directors and a meeting with the auditor (without management) for a total number of 1 time on 11 November 2021.

- Air Chief Marshal Arnon Jarayapant² -

(Air Chief Marshal Arnon Jarayapant)

Chairman of the Audit Committee

30 December 2021

