

Annual Report '11

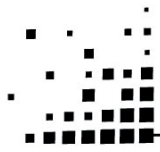
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Aira Factoring Public Company Limited





Content

	Page
Vision and Mission	2
Message from Chief of Executive Committee	3
Report of Audit Committee	4 - 5
General Information	6
Company Background	7
Company Business Overview	8 - 10
Financial Highlights	11 - 12
Management Discussion and Analysis	13 - 14
Shareholders and the Management	15
Organization Chart	16 - 26
Management Profile	27 - 36
Good Corporate Governance	37 - 45
Remunerations	46 - 48
Control of inside information	49 - 50
Risk Factors	51 - 52
Connected Transaction	53
Report of the Nomination and Remuneration Committee	54
Report of the Board of Director's Responsibilities in the Financial Statement	55
Report of the Audit Committee for the Year 2011	56
Financial Statement	57 - 79



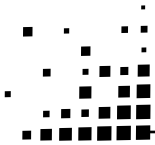
Vision and Mission

(Vision)

The Company determines to become the leader in the factoring credit service, ranked among top three factoring firm in Thailand.

Mission

To determine and develop our factoring service to become the leading factoring firm that provide short-term credit service to manage our core business while delivering excellent service toward our customer, creating constantly great benefit to our shareholder and employee. All our missions are subject to the appropriate risk management policy and commit to the Corporate Social Responsibility.



Message from Chief of Executive Committee

Throughout year 2011, we “the Aira Factoring PLC” managed to gain better operating performance, compared to the previous year. Even though our clients and customer had an impact from widespread food situation, the Company remains growth rate compared with past several years. With regard to the operating performance of the Company, net profit reached Baht 51 million, increased 12% from the same period of last year. Besides, we also maintain our client base in small and medium modern trade business which is the core client base of the Company to continue using our factoring credit thoroughly. Additionally, we expanded our client base into automotive industries that help the Company increase business competitiveness. As our business continues growth in succession, we remained giving high precedence to sustainable growth, transparency, fairness, responsibilities and defend collective interest of every stakeholder as well as our social responsibility.

For year 2012, in order to increase more competitiveness under rapid and unpredictable change in economic circumstances, we put an emphasis on monitoring and realizing on the any uncertain change that may occur and have an impact on our business operation. Particularly, the quality control on credit approval and keeping service standard in order to build up impression toward our client is one part of overall risk management of the Company. Furthermore, we determine to expand our target client into auto part manufacturing industries and other industrial equipment sector that have high growth rate. This strategy may help the Company strengthen our potential to compete in business.

On behalf of the Executive Committee, we would like to thank our shareholder, financial institution and all clients who have showed continual support to our Company all along with the management team and every employee for their fully efforts on our Company. We would like to make an engagement that the Company will continue to uphold and follow the principle of good corporate governance practice in order to sustain maximum benefit it toward our shareholder, client and every stakeholder with equilibrium and constant growth in long term.



Mrs. Ladavan Tanatanit
Chief of Executive Committee



REPORT OF THE AUDIT COMMITTEE

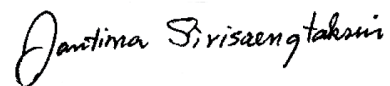
The Audit Committee of the AIRA Factoring Public Company Limited has been appointed by the Board of Directors and comprises three members of the Board of Directors who are the independent director as follow:

- | | |
|---------------------------------|------------------------------|
| 1. Mrs. Jantima Sirisaengtaksin | Chief of the Audit Committee |
| 2. Mr. Poonsak Thiapairat | Audit Committee |
| 3. Mr. Suwat Lauparadorachai | Audit Committee |

The Audit Committee performed its duties as assigned by the Board of Director, in compliance with the criteria governing the Audit Committee; correspond with the regulations of the Stock Exchange of Thailand. Throughout the year 2011, the Audit Committee held 6 meetings with the Company's Management and the Internal Audit and Compliance Department so as to acknowledge the internal audit operation and good governance practice and also revise the sufficiency and suitability of the internal control system and risk management procedure. Besides, the Committee also conducted the meeting together with the external auditor without the Management in order to consider the result of internal audit activities and review of both the quarterly and annual financial statements. The Audit Committee reported the essence conclusion of every meeting to the Board of Director on each issue summarized as follow;

- In coordination with the independent certified public auditors and the Management group, the Audit Committee had reviewed the Company's financial statements and expressed the opinion on the statement that the financial statements were prepared in accordance with generally accepted accounting principles with appropriate disclosure of information. The independent certified public auditors also gave their opinion in their audit report which was proposed to the Board of Director, the shareholder and every stakeholder.
- The Audit Committee had examined the internal control procedure and acknowledged the Internal Audit and Compliance's report on the operation process such as the opened-closed client's account procedure, claiming and collecting the doubtful debt system in order to ensure that the Company provided sufficient and appropriate internal control environment within organization and being developed continuously. Besides, the Audit Committee also considered the related transaction prior to be disclosed, without the conflict of interest and followed by the law and regulations of the external related organization, to the Board of Director to acknowledge on each matter.
- The Audit Committee had reviewed organization practice following the Charter of the Audit Committee, conformed to the Securities and Exchange Commission and the Stock Exchange of Thailand via the audit procedure of the Internal Audit and Compliance Department. The Audit Committee agreed that there is no significant issue that might omit such law and regulation or any conflict of interest transaction unless declaring on the financial statement regarding the connected person or related transaction.
- The Audit Committee had provided a self assessment of its performance in order to ensure that the Committee performed its duties efficiently and effectively, achieved Company's objective as assigned by the Board of Director and led to continuous improvement. The performance of self assessment of year 2011 was satisfactory.
- The Audit Committee considered and nominated the appointment and remuneration of the Company's independent auditor for 2012 and proposed to the Board of Director in order to present and seek for an approval from the shareholder annual general meeting afterward.

The Audit Committee has performed its duties following the Charter of the Audit Committee and expressed opinions independently to create benefit to the organization. Throughout the year 2011, in the Audit Committee's opinion, we deemed that the information disclosed in the Company's financial reports has been prepared in conformity with generally accepted accounting principles. Besides, the Good Corporate Governance and risk management procedure was conducted sufficiently and appropriately under organization environment as well as the best practice in compliance with relevant rules and regulations.



(Mrs. Jantima Sirisaengtaksin)

Chief of the Audit Committee

February 20, 2012



General Information

Company Profile

Company Name : Aira Factoring Public Company Limited
Address : 444 Olympia Thai Towers, 6th Floor,
Ratchadapisek Road, Samsennok, Huaykwang,
Bangkok 10320
Business Type : Factoring
Registration Number : 0107547000141 (Formerly: No. 0107574700141)
Web Site : www.airafactoring.co.th
Telephone : 02-512-1818
Fax : 02-513-4741

Company Securities

: The issue and paid-up share capital as of December 31,2011 in the total amount of
Bath 200 millions consists of 40 million ordinary shares, Baht 5 per share.

Reference

Share registrar : Thailand Securities Co., Ltd.
: 62 The Stock Exchange of Thailand Building
Ratchadapisek Road, Klongtoe,
Bangkok 10110
Telephone : 02-229-2800 and 02-654-5599
Fax : 02-359-1259

Auditor : Ms. Rungnapa Lertsuwankul, C.P.A No.3516 or
: Mr. Sophon Permsirivallop C.P.A.No.3182 or
: Ms. Pimjai Manitkajohnkit, C.P.A.No.4521 or
: Mr. Chayapol Suppasedtanon C.P.A.No.3972

Address : Ernst & Young Off ice Limited
33 rd Floor,Lake Rajada Off ice Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110

Telephone : 0-2264-0777
Fax : 0-2264-0789-90



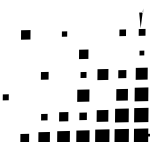
Company Background



Aira Factoring Plc. (“AF” or “the Company”), formerly known as Dhaanmitr Factoring Plc. was incorporated on January 6, 1997 with a registered capital of Bt. 20 million through a joint venture between Central Retail Corporation Ltd., holding 50%; the Siam Commercial Bank Plc. group, holding 38% and another 12% to minor shareholders. The objective of the Company is to provide factoring services focusing on suppliers of Modern Trade businesses since Central Retail Corporation Ltd. is a leader in retailing business and accordingly has a large supplier base which is the key target group for the factoring business. Meanwhile, the Siam Commercial Bank group would financially support the Company.

After the financial crisis, “AF” increased its registered capital from Bt. 20 million to Bt. 40 million in July 2001. The Company concurrently made a shareholder restructure as follows: the Central group as the major shareholder (consisting of Central Retail Corporation Ltd. and Central Department Store Co., Ltd.), holding 60%; Siam Commercial Bank Plc. group, holding 10% and Business Venture Promotion Co., Ltd. group, holding 10%. Later on in September 2003, “AF” increased its registered to Baht 80 million. On the 2nd of March 2004, “AF” was converted to PLC and listed on the MAI in August 2004 by issuing 4 million new shares via IPO. Until present, the Company has registered capital and paid-up capital in the amount of Baht 100 million (20 million ordinary shares), partition to Chirathivat group 48%, Business Venture Promotion Co., Ltd. group 8% and SCB 4%.

Then, on February 25, 2011, two of the major shareholders; the Chirathivat group and the Siam Commercial Bank Plc. group had disposed of its shares to AIRA Capital Plc. in the total amount of 11,470,200 shares or 57.35% of total issued and paid-up shares of the Company or 57.35%, the SUMMIT Corporation Company Limited in total amount of 4,543,400 shares or 22.72% of total issued and paid-up shares. According to this transaction, the former shareholders made a commitment to provide a business support for the undertaking between the Company and the trade counterpart of the companies of the Group of the Existing Shareholders within the period of the first 3 years from the date of the share sale and purchase under the agreement. Afterward, on September 2011, the Company had raised its registered capital from Bt. 100 million to Bt. 200 million and registered the change of the Company name from “Dhanamitr Factoring PLC.” to “Aira Factoring PLC.” on September 16, 2011.



Company Business Overview

Aira Factoring Plc. is a provider of domestic factoring service, which is short-term financing service provided by means of discounting of receivables. The Company's target clients are suppliers of modern trade businesses such as department stores, supermarkets, discount stores, super centers, specialty stores, convenience stores, etc. The service procedure is that the client assigns its right to receive payment from The customer to "AF" and receives cash upfront, and at the payment due date, "AF" will collect the proceeds directly from the customer.

The advantage of our business operation is that the Company has engaged in factoring business for more than 10 years with widely acceptable knowledge, proficiency and experience in the industries. Besides, the Company also gets a support from the major shareholder to verify the remaining debt of which related to the companies of the shareholder. That help the Company reduces risk from providing credit by transferring right which liken to the heart of factoring businesses. Furthermore, for the purpose of providing constant growth of the Company operation as well as our client businesses, the Company utilizes the strategies to provide sufficient information about the management of client's business, to give a beneficial advice to our client such as how to management inventory and material, how to choose the appropriation of source of material, how to manage and negotiate with their customer. In addition we also take care of our clients on increasing the line of factoring credit in order to offer an opportunity to expand their business.

The overall business operation, throughout year 2011, is considered to be another successful year of business operation even though the Company also get an impact on good situation that effect the decreasing in factoring volume for a short period because some of our client and customer also face an affect from the good situation, especially almost the client in the automotive industries that had to temporarily close the production base and the client in Modern trade also get an impact as the result of distribution center is not able to distribute goods and service to their department and discount store. Nevertheless, for year 2011, the Company gains the net profit Bt. 51 million which resulted from the Company had determined the plan and strategy as well as the risk management properly and corresponded with rapid change.

Revenue Structure

"AF" source of revenue can be divided into the following;

Type of service	Type of revenue	Source of revenue
Domestic Factoring	Revenue from factoring service	Interest revenue
	Fees and services	Fee for open credit line Fee for purchasing right

“AF” revenue structure based on its audited nancial statement for year ended 2009 to 2011 is as follow:

Revenue	2554		2553		2552	
	Baht	%	Baht	%	Baht	%
Factoring income	128,841	80.75	105,235	77.00	95,976	80.62
Fees and services	26,046	16.32	25,779	18.86	21,644	18.18
Other income	4,666	2.93	5,650	4.14	1,433	1.20
Total revenues	159,533	100.00	136,664	100.00	119,053	100.00

Business Outlook

Aira Factoring Plc still desire to become the leading company in domestic factoring service in order to encourage the new investment and increased the consumption in-house by strengthening and supporting the entrepreneurs to have various alternatives to reach source of investment funds easily: apart from other nancial institutions. The Company shall focus on the target group which the Company is expert in the business process and shall support the small enterprise to become larger business as the Company has always performed in succession. For the year 2012, the Company expects that the demand on factoring credit may increase from the year before. These results from disentanglement on world business and nancial crisis and the negative factor in Thailand as well which may initiate the overall economy and domestic consumption recover from the previous year. The Company believes that the economic circumstances shall become normal and manage to push the business forward throughout next year. The Company, therefore, has set up the business plan for the upcoming year and be prepared to take on a great opportunity that may occur further. The significant details of the Company plan are as followed;

- To expand the client and customer bases into various types of business, not only in the modern trade, but also try to increase the factoring volume in the automotive industries. This result from the Company receives rapport cooperation from the group of major shareholder to launch a marketing campaign, verify data and transfer right to collect debt to the Company.
- To determine the aggressive marketing approach strategy by expanding the client bases, focusing on low-risk client bases that can verify current debt and accept the right transferring.
- To put an emphasize on growth of client business by taking an opportunities on small and medium enterprise
- To increase the efficiency on working process and internal control system
- To develop the benecial talent such as the maximize of utilizing technology information, the using information in depth to help making decision as well as creating corporate image in positive way
- To prepare for the unexpected risk which may be effect the business process by improving the risk management policy in coherent with the change which may affect the management policy. Besides, to adjust the credit policy more strictly as well as follow up closely on quality control of credit.
- To provide a reward system which correspond with individual performance of each employee in order to build up high moral support for our employee.

The business policy above shall manage to help pushing the Company forward, creating great profit, maximizing wealth to every stakeholder and remaining growth constantly

Aside from the business objective as mentioned above, the Company also aims at management policy along with Good Governance. Besides the Company shall give an importance to the staff and employees in every level and support them to participate in such activities especially the campaign regarding Corporate Social Responsibilities.



Financial Highlights

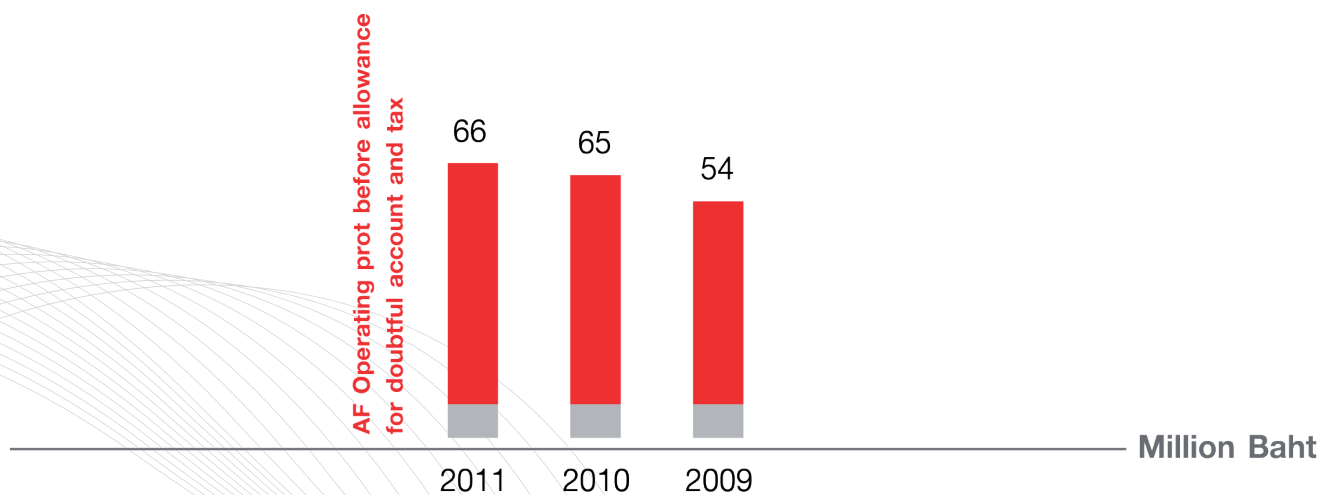
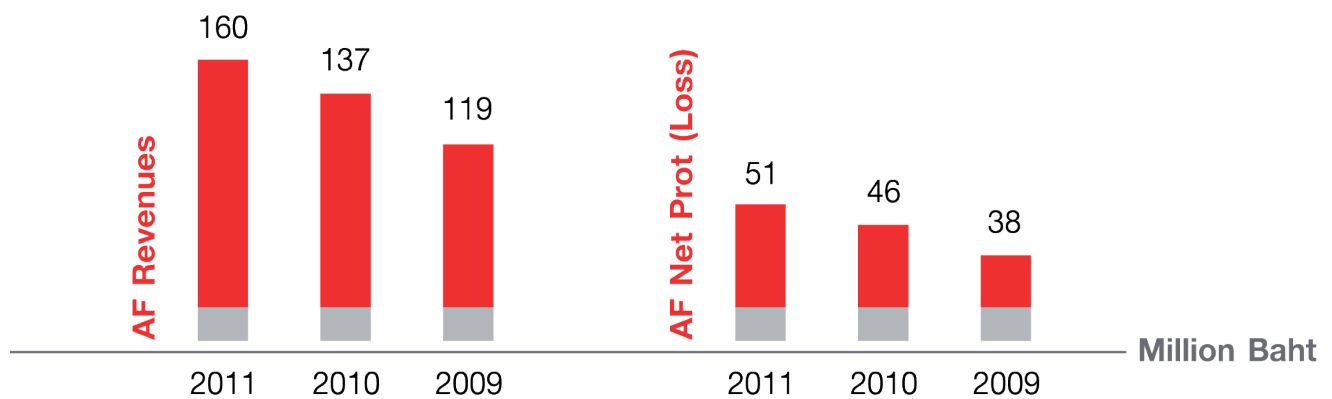
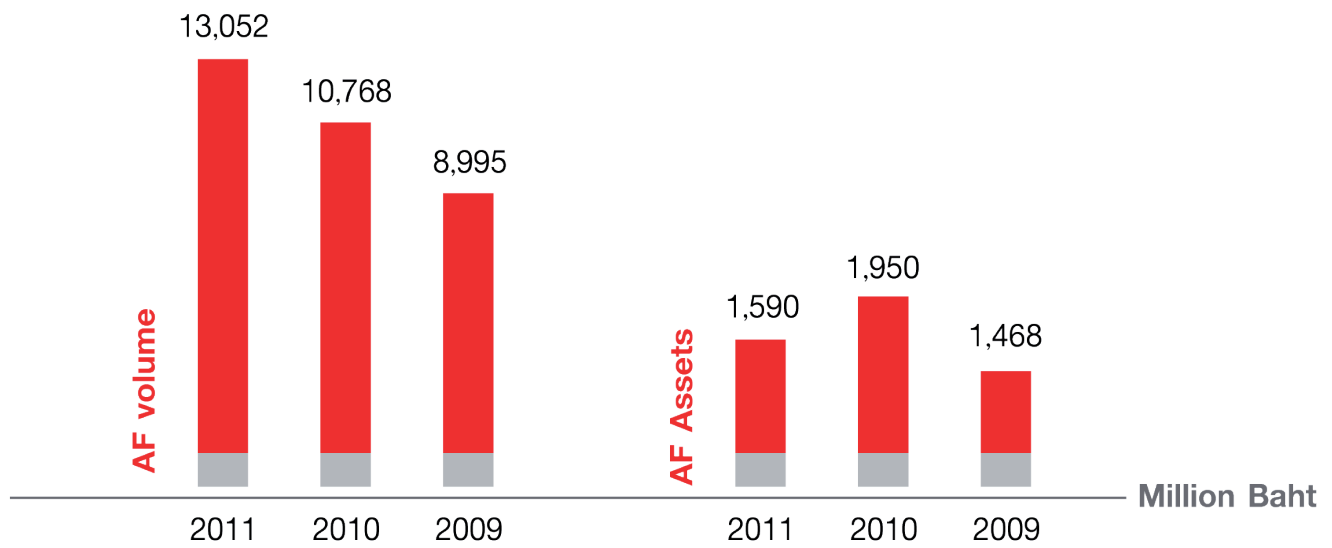
	Million Baht		
	2011	2010	2009
Total Assets	1,590	1,950	1,468
Total Liabilities	1,258	1,722	1,261
Total Shareholders' Equity	332	228	207
Factoring Income	128.84	105.23	95.98
Total Revenue	159.55	136.66	119.05
Gross Prot	87.65	86.30	74.74
Prot before allowance for doubtful accounts and income tax	65.94	65.23	54.38
Net Prot (Loss)	51.31	45.83	38.06
Earning Per Shares (Baht)	2.00	2.29	1.90
Financial Ratio Analysis			
Gross Prot Margin (%)	68.03	78.32	77.87
Net Prot (Loss) Margin (%)	39.83	43.55	39.65
Return on Equity (%)	15.44	20.10	18.37
Return on Assets (%)	3.23	2.35	2.59
Current Ration (Times)	1.27	1.11	1.13
Debt to Equity (Times)	3.78	7.55	6.08
Dividend Payout (%)	56.0	54.55	65.69

Date of 2012 General Shareholder's Meeting

April 18 , 2012 at 10.00 am. at the Ratchada 1 Room , 2 nd Floor , The Chaoprayapark Hotel Bangkok, Ratchadapisek Road, Samsennok, Huaykwang, Bangkok.

Proposed dividend per share: At the rate of Baht 1 per share.

Date of Dividend Payment: May 9, 2012.





Management Discussion and Analysis

Operating Results

In 2011, the operating result indicates that “AF” had an operating profit (before allowance for doubtful debt and income tax) of Baht 65.94 million, an increase of Baht 0.71 million or 1.09% compared to the last year. The major factor of this increase results from the client tends to continue using factoring credit as compared to year 2010. These leads to the increasing in factoring income, factoring fee and service income in the same way of rising of the interest rate. For year 2011, the Company has interest expense of Baht 41.20 million, an increase of 18.83 million or 80.56% compared to the previous year.

For year 2011, “AF” gained the net profit of Baht 51.31 million, an increase of Baht 5.48 million or 11.96% compared to year 2010. Beside the Return on Assets Ratio decrease from year 2010 in the number of 0.88 points or 37.45% and the return on equity ratio increase from year 2011 equivalent to 4.66 points or 23.18% consecutively.

Revenue and Expenses

Revenue

In 2011, “AF” total revenue was Baht 159.55 million, an increase of Baht 22.89 million or 16.75% from year 2010. A majority of increasing in the total was due to the increasing in revenue factoring income and factoring fees and services income as the result from increasing of factoring volume and rising of interest rate Revenue generated from factoring income totaled to Baht 128.84 million, an increase of Baht 23.61 million or 22.43%. Fees and other services income amounted to Baht 26.05 million, an increase of Baht 0.27 million or 1.04%. The Company factoring’s volume for year 2011 was Baht 13,052 million, an increase of Baht 2,284 million or 21.21% from year 2010.

Operating Expenses

In 2011, “AF” had the total expense of Baht 103.94 million, an increase of Baht 30.76 million or 42.04%, the details can be summarized as follow:

- Interest expense in 2011 amounted of Baht 41.20 million, an increase of Baht 18.38 million or 80.56% compared to year 2010. This resulted from the market interest rate higher tend to become so that the cost of interest of the Company also increased.
- Selling and Administrative expense in 2011 amounted of Baht 52.42 million, an increase of Baht 3.80 million or 7.81%. The major factor of this increasing was due to the TAS 19 and staff expenses was raising corresponded to the expansion of business in 2011.
- Doubtful debt in 2011 amounted of Baht 10.33 million, a decrease of Baht 8.58 million. This was due to the company had set the allowance for doubtful account of Baht 10.33 million.

In thousand Baht

Revenue and Expenses	2011	2010	Change	
			Amount	%
Revenue	159,554	136,664	22,890	16.75
Factoring income	128,842	105,235	23,607	22.43
Fees and services	26,046	25,779	267	1.04
Other income	4,666	5,650	(984)	(17.42)
Expenses	108,240	90,833	17,407	19.16
Finance costs	41,195	22,815	18,380	80.56
Administrative expenses	52,418	48,619	3,799	7.81
Bad and doubtful debt	10,325	1,743	8,582	492.37
Income tax expense	4,302	17,656	(13,354)	(75.63)
Prot for the year	51,314	45,831	5,483	11.96

Financial Status

- As of December 31, 2011, “AF” total asset was Baht 1,589.87 million, an increase of Baht 360.07 million or 18.47 %. This resulted from:-

- Factoring receivable – net as at December 31, 2011 was Baht 1,538.72 million, an decrease of Baht 304.95 million or 16.54%. This result from the ood situation during the third period of the year that affect client slow down to use factoring service during the period of the end of the year. Additionally the loan receivable as at December 31, 2011, was 21.62 million, a decrease of Baht 37.66 million or 63.54%. The decrease was due to the company provided factoring loan more and more during the year.

- Equipment – net as at December 31, 2011, was Baht 4.90 million, a increase of Baht 1.01 million or 25.78%. The increase was due to the company had disposed the equipment during the year.

- As of December 31,2011, “AF” total liabilities was Baht 1,257.60 million, an increase of Baht 464.28 million or 26.96% higher than 2011. The increase was due to the increasing of using factoring credit and rising of the retention from factoring during the last period of year. As of December 31, 2011, the retention from factoring was in the total amount of Baht 54.32 million, an increase of Baht 14.73 million or 21.33% compared to year 2010.

- As of December 31, 2011, “AF” total shareholders’ equity was Baht 332.27 million, an increase of Baht 104.21 million or 45.70%. This was due to the Company’s net prot had increased in the total amount of Baht 100.00 million By issuing the new capital shares in total amount of 20 million shares.

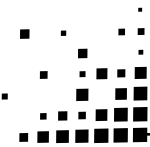


Shareholders and the Management

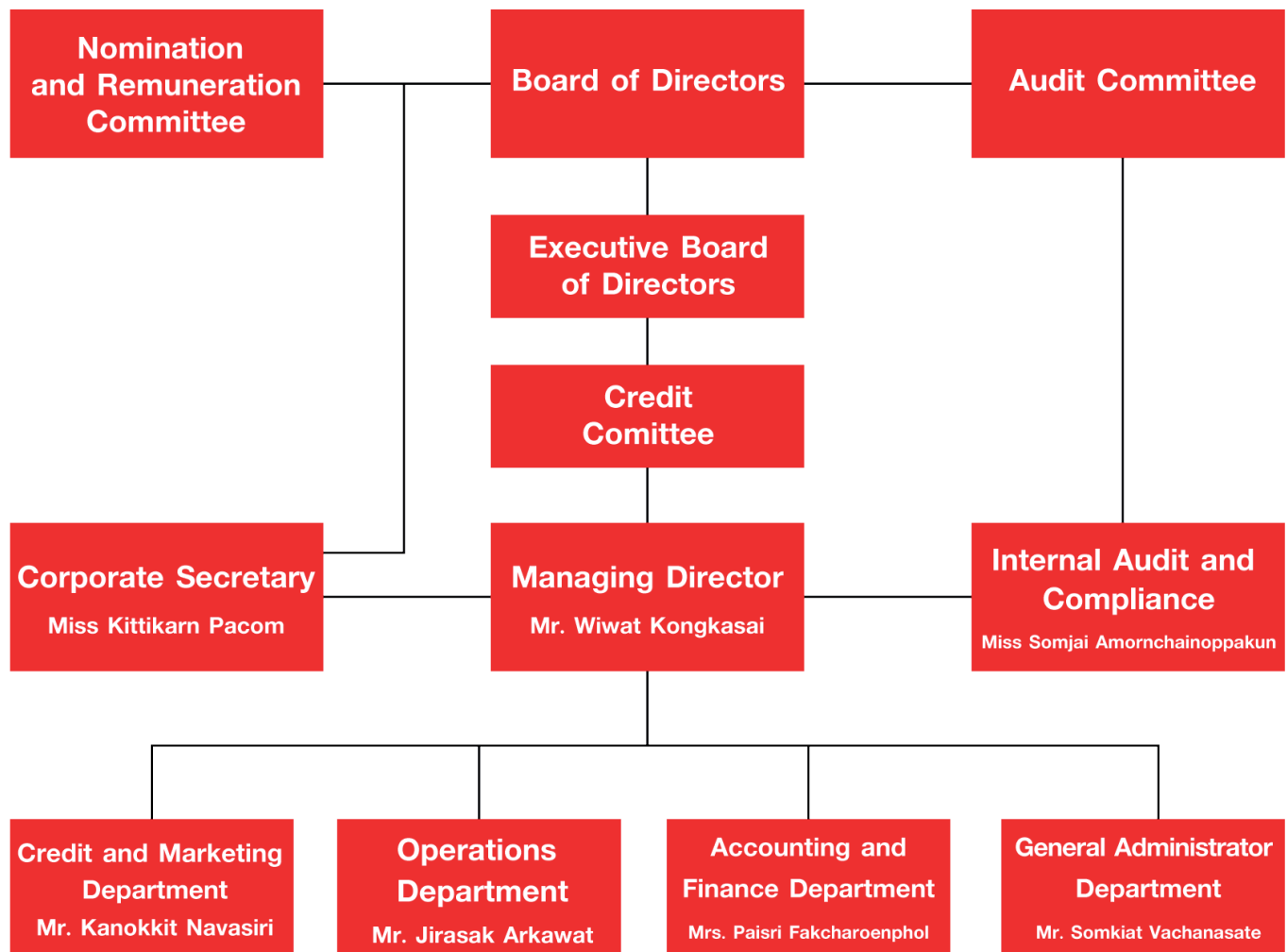
Major shareholders (top 10 shareholders as of December 30, 2011)

	Name	Number of Shares	% of Total
1	Aira Capital Public Company Limited	23,187,617	57.969
2	Summit Corporation Company Limited	9,086,800	22.717
3	Mr. Wiwat Kongkasai	1,600,000	4.00
4	Mrs.Piyaporn Vichitpun	1,565,700	3.914
5	Mr Nares Chutijiravong	765,100	1.913
6	Mr.Narongsak Hongrattanavijit	500,000	1.250
7	Mr.Prachya Mongkolkul	402,500	1.006
8	Mr. Kunakorn Makchaidee	400,000	1.000
9	Mr.Poonsak Thiapairat	286,000	0.715
10	Mrs.Duan-a-nong Lauparadorachai	240,000	0.600

“Investor can view the updated shareholders’ structure from the company’s website (www.airafactoring.co.th) prior to the annual shareholders’ meeting”



Organization Chart as of December 31, 2011



The Management Structure of the Company comprises of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Executive Committee, Credit Committee and Management, details as of 31 December, 2011 are as follows:

1. The Board of Directors

The Company's Board of Directors comprises of 10 members as follows:

1. Mr. Chatchaval Bhanalarp	Chairman and Independent Director
2. Mrs. Jantima Sirisaengtaksin	Director, Chief of Audit Committee and Independent Director
3. Mrs. Ladavan Tanatanit	Director, Chief of Executive Committee and Authorized Director
4. Mrs. Naline Ngamsetthamas	Director, Nomination and Remuneration Committee, Executive Committee and Authorized Director
5. Mr. Wutthiphum Jurangkool	Director, Executive Committee and Authorized Director
6. Mr. Suwat Lauparadorachai	Director, Audit Committee, Chief of Nomination and Remuneration Committee and Independent Director
7. Mr. Poonsak Thiapairat	Director, Audit Committee, Nomination and Remuneration Committee and Independent Director
8. Mr. Kunakorn Makchaidee	Director
9. Mr. Visit Wongrumlap	Director
10. Mr. Wiwat Kongkasai	Director, Executive Committee, Managing Director and Authorized Director

Miss Kittakarn Pacom: Secretary to the Board of Directors

Directors with Authority to Sign on Behalf of the Company

Two of the following four; namely, Mrs. Ladavan Tanatanit or Mrs. Naline Ngamsetthamas or Mr. Wutthiphum Jurangkool and Wiwat Kongkasai shall jointly two of ve sign a document together with the Company's seal.

Duties and Responsibilities of the Board of Directors

The Board is accountable to shareholder in regard to company operations and by ensuring that company is managed according to a goal and directions that will maximize the interest of its shareholders with in a Code of Conduct framework and by talking into consideration the interest of all stakeholders.

The Board has a duty to strictly comply with the laws, the company's objective, the Articles of Association and resolutions of shareholders, meeting by performing its duty with integrity, overseeing short-and long – term interest of shareholders and complying with rules and regulations of the Stock Exchange of Thailand (SET), the Ofce of the Securities and Exchange Act (No.4), B.E.2008 (2551)

To perform its duties, the Board of Directors has appointed a Chief Executive Ofcer (CEO) to be responsible for running the company's business. To supervise company management, the Board of Directors has required that it is Board's duty and responsibility to consider and approve the following:

- The company's policy, Business strategy, business plan and annual budget
- Institute proper systems for corporate accounting, nancial reporting, and nancial auditing, institute efcient and effective internal control and internal audit systems.
- Supervise and remedy problems arising from conicts of interest and connected transactions.

- Dene comprehensive risk management guidelines; and ensure an efficient risk management system or process.
- Ensure a suitable compensation system or mechanism for senior management, to induce short-term and long-term motivation.
- Ensure accurate, clear, transparent, credible, and high-quality disclosure of information.
- The Board of Directors shall monitor the management and operations system of the Executive Committee to perform their assigned policies efficiently, except the following issues for example increasing and decreasing capital funds, offering debentures to public, selling or transferring part some or whole business to other parties, buying or acquiring other business, editing the Memorandum and Articles of Association of the Company and determining a bonus or remuneration to the Board of Directors, should seek for approval from the Shareholder's Meeting before taking such issue into action.
- The Board of Directors should arrange the Annual General Meeting of Shareholders within 4 months after the end of the accounting year.
- The Board of Directors should hold a meeting once every three months.
- The Board of Directors has authorities to consider and adapt the name of the Authorized Director.
- Nomination, appointment and termination of directors and the Company Secretary or Secretary of the Board of Directors.
- Payment of the interim dividends
- Approval of the amount of salaries and bonuses or bonus formula adjustment or the formula of the annual remuneration adjustment of the executives and employees.
- Determination and change of the approval authority conferred to the President and senior executives.
- Authorization of power and duties to any of the Company's President or Director, including the revision of the said power and duties authorization, however, this must not be in contradiction with the criteria and requirements of the Stock Exchange and Securities and Exchange Commission.
- The appointment and the determination of authority of the Sub-committee.
- Arrangement and supervision for having the management available in accordance with the good corporate governance principle.
- Any other actions to be in accordance with laws, objectives, Articles of Association and resolutions of the meeting of shareholders.
- Directors have a duty to keep corporate information strictly confidential especially internal information not to be disclosed to the public or information that may affect its business or share price.

In case the information is a report based on an accounting period such as an operating result, financial statements and an annual report, directors must refrain from trading company share no fewer than 30 days prior to the information disclosure to the public.

In case the information is a report of company action in a particular situation, such as acquisition/disposal of assets, connected transactions, joint venture/cancellation of joint venture, capital increase/capital reduction, issuance of new securities, repurchase of own shares, payment or non-payment of dividend or incidents that effect company share prices.

The Board of Director requires new directors to attend an orientation session to learn about the Company's expectation from their roles, duties and responsibilities and what its corporate governance policy and practices are. The orientation will also help them understand the company's business better as well as provide a chance to visit the Company's operations as a preparation for their tasks.

The Board of Director has a policy to educate all directors about corporate governance, industrial outlooks, business prospects and innovations where it urges director to attend seminar or coursework organized by the Thai Instituted of Directors Association (IOD) and other reputable institutes to promote effective performances of the directors.

The Board requires that its performance and the independence of its independence directors on an annual basic.

2. Audit Committee

The Audit Committee as of 31 December, 2011 consisted of 3 independent directors, each member being knowledgeable and experienced in reviewing nancial statements, as follows:

1. Mrs.Jantima Sirisaengtaksin	Chief of Audit Committee
2. Mr. Suwat Lauparadorachai	Audit Committee
3. Mr. Poonsak Thiapairat	Audit Committee

Miss Somjai Amornchinoppakun: Secretary to the Audit Committee

Duties and Responsibilities of the Audit Committee

The Audit Committee has a duty to review the Company's nancial statements, its adequacy if internal control and risk management systems and compliance with applicable laws and regulations as well as to report or express its opinions to the Board of Director to seek approval or for further submission to the shareholders. Meeting, as the case may be. Details of its authority are as follows:

1. To review the Company's nancial reporting process to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are appropriate and eficient, to determine an internal audit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit.
3. To ensure that the company has the duly complied with the laws on securities and exchange, the exchange's regulations, and the laws relating to the Company's business.
4. Review the suitability and adequacy of risk management of the Company.
5. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
6. To review the connected transaction, or the transaction that may lead to conicts of interest, to ensure that they are in compliance with the law and the Exchange's regulation, and are reasonable and for the highest benet of the company.

7. To prepare and to disclose the company's annual report, and audit committee's report which must be signed by the chairman of the Audit Committee and consist of at least the following information:

7.1 An opinion on the accuracy, completeness and creditability of the company's financial report,

7.2 An opinion on the accuracy of company's internal control system.

7.3 An opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the company's business.

7.4 An opinion on the suitability of an auditor.

7.5 An opinion on the transactions that may lead to conflicts of interest,

7.6 The number of the audit committee meetings. At the attendance of such meetings by each committee member.

7.7 An opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and

7.8 Other transaction which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibility assigned by the Company's Board of Directors;

8. In performing its duties, the Audit Committee is empowered to invite the management or pertaining staff of the Company to give opinions, join a meeting, or submit documents deemed relevant or necessary.

9. Consider and review the scope of powers and duties and responsibilities and evaluate the Audit Committee's performance regularly on a yearly basis.

10. To audit cases informed by the company's auditor when he/she discovers any suspicious circumstance that the director, manager or any person responsible for the company's operational commits an offence, which is specified under the Securities and Exchange Act (No.4) B.E. 2551 and report the result of preliminary inspection to the Securities and Exchange Commission and the auditor within thirty days;

11. To perform any other tasks as assigned by the Board of Directors upon the Audit Committee's consent.

3. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee as of 24 February, 2012 consists of Chairman who is an independent director, as follows:

1.	Mr. Suwat Lauparadorachai	Chief of Nomination and Remuneration Committee and independent director.
2.	Mr. Poonsak Thiapairat	Nomination and Remuneration Committee and independent director.
3.	Mrs.Naline Ngamsetthamas	Nomination and Remuneration Committee

Miss Kittakarn Pacom: Secretary to the Nomination and Remuneration Committee

Duties and Responsibilities of the Nomination and Remuneration Committee

1. To formulate policies for submission to the board of directors of the company as follows.

1.1 Policy, criteria and method for selection of the directors and managing director

1.2 Policy, criteria and method for payment of remunerations and other benefits to the board of directors of the company, subcommittees and managing directors.

2. To select and nominate the persons with suitable qualifications to the board of directors of the company as follows.

2.1 Directors

2.2 Subcommittee members of various sub-committees assigned with authority, duty and responsibility directly from the board of directors of the company.

2.3 Managing director and deputy managing director. For the deputy managing director position, the managing director is required to make an initial screen before submission is made to the selection committee for approval and to the board of directors for consideration.

3. To supervise the board of directors of the company to ensure that its size and components are suitable to the organization, including adjustment in response to the changing environment

4. To supervise directors and managing director to ensure that their remuneration is suitable to their duties and responsibilities assigned.

5. To determine guideline, present and approve the performance evaluation on the directors and managing director for adjustment of remuneration and bonus payment annually.

6. To submit a performance report to the board of directors of the company once a year.

7. Perform any acts designated by the board of directors.

4. Executive Committee

As of 31 December, 2011 the Executive Committee of the Company comprised of 4 members as follows:

1. Mrs. Ladawan Tanatanit	Chief of Executive Committee
2. Mrs. Naline Ngamsetthamas	Executive Committee
3. Mr. Wiwat Kongkasai	Executive Committee
4. Wutthiphum Jurangkool	Executive Committee

Miss Kittikarn Pacom: Secretary to the Executive Committee

Duties and Responsibilities of the Executive Committee

The Executive Committee is authorized to perform duties and is responsible for normal business operations and management. The executive committee is responsible for establishing the Company's business strategy, budgeting, management structuring and assigning authorities as well as setting up business standard operations to conform to the economic situations and presenting to the Board of Directors for approval or concurrence. Other duties include supervising and monitoring business operations to achieve the Company objectives. As the case may be. Details of its authority are as follows:

Duties and responsibilities of the Executive Committee

The Executive Committee has the power, duties and responsibilities for the consideration of normal business engagements of the company and other administrative functions as well as consideration and approval of strategies, business plans, budgeting, organization structure and other company's management authorities. In addition, the Executive Committee has to consider the business operational principles to be in aligning with the current economic situation and submit to the Board of Directors' meeting for approval and/or give consent including to audit and monitor the company's performance to comply with the approval policies. In conclusion, the functions and responsibilities of the Executive Committee are as follows:

1. Performing the duties and manage the Company in accordance with the objectives, regulations, policies, rules, orders and resolutions of the Board of Directors' Meeting and /or resolutions of the Shareholders' Meeting.
2. Considering the policies, directions and strategies for the Company's business performance as well as the preparation of the nancial plans and budgeting to submit for approval from the Board of Directors of the Company and also assessing and monitoring management performance to achieve its assigned targets.
3. Directing the preparation of the annual budgeting according to the proposal by the management team before submitting to the Board of Directors' Meeting for assessing and approval.
4. Directing the assessment and approval of the use of funds in the Company's normal business engagement
5. Approving the key majors' investments which are included in the Company annual budgeting as assigned by the Board of Directors or as been pre-approved in principles by the Board of Directors.
6. Assessing consideration, approval of any lending or Credit Financing of the company within the Company's Credit policy authority
7. Devising, approving in Company's borrowing, Credit Financing, Debt is restructuring or Issuance of Debenture as well as granting collateral and any guarantee against loans or credit lines or other credit facilities to propose to the Board of directors' Meeting.
8. Acting as the managing consultant to the management team in all nancial policies, marketing, human resource and other operational transactions.
9. Performing any other jobs as been assigned by the Board from time to time. Hence the authority and / or the empower of authority to other persons as deem appropriate shall not include power and /or empower in any transactions that may be conicted to the company or its subsidiaries as according to the regulation of the Stock Exchange of Thailand (SET) which treated those transactions to be proposed to the Board of directors' meeting and/ or shareholders' meeting to consider and approve those transaction as stated in the company's regulations or other legal regulations that may be appropriate.

5. Credit Committee

As of 31 December, 2011, the Credit Committee of the Company as follows :

- | | |
|-------------------------------|---------------------------------|
| 1. Mr.Wiwat Kongkasai | Chief of Credit Committee |
| 2. Mr. Kanokkit Navasiri | Credit Committee |
| 3. Mrs.Pornpilai Burasai | Credit Committee |
| 4. Mr. Visit Wongrumlap | Consultants of Credit Committee |
| 5. Mrs. Kongkeaw Peamduantham | Consultants of Credit Committee |

Miss Nattakarn keawpakdee : Secretary to the Credit Committee

Duties and Responsibility of the Credit Committee

1. To have authorities to approve financial credit as determined by the Board Director.
2. To perform such activities as assigned by the Board of Director.

6. Management

As of 31 December, 2011, Management team comprised of 8 members as follows:

- | | |
|-----------------------------------|--|
| 1. Mr.Wiwat Kongkasai | Managing Director |
| 2. Mr. Kanokkit Navasiri | Assistant Managing Director - Credit and Marketing Group |
| 3. Mrs.Pornpilai Burasai | Assistant Managing Director - Credit and Marketing Group |
| 4. Mr. Jirasak Arkawat | Assistant Managing Director - Operations Group |
| 5. Mrs. Paisri Fakcharoenphol | Vice President of Accounting and Finance Department |
| 6. Mr. Somkiat Vachanasate | Vice President of General Administrator Department |
| 7. Miss. Somjai Amornchainoppakun | Head of Internal Audit and Compliance |
| 8. Mr. Nithit Charasthong | Assistant Vice President of Operations Group |

Authority of the Managing Directors

1. Direct the missions, objectives, guidelines, targets, company's policies to submit to the Board of Directors' meeting and ensure that the Company has operated promptly according to the missions, objectives, targets and company's policies including the orders and the total oversee of the operations. In addition, they also have power or authority to employ and appoint any employees as well as to transfer them to other department or to dismiss from the company, to set the term and remuneration, compensation, bonus and other fringe benefits which deal with all the company's employees.

2. Have the authority to launch the orders, rules and regulations, memorandum to ensure that all the performance is well organized according to Company's policy and benefits and to maintain the well arranged in the Company's working space,

3. Operate the normal business administration of the company

4. Grant the power of attorney and/or delegate the authority to other people to operate or assess in some assigned business operation. However the empower or the delegation of the power must follow the spirit of the power of attorney and/or the rules, orders or instruction that the Board of directors and/or the Company has set up.

Nonetheless the power they possessed and the power granted to other person as deem appropriate will not include the power and/or the grant of power of attorney in some transaction which he/she may have some conflict or interest in some way which conflict with the company's interest according to the Stock Exchange of Thailand's regulation which the approval of such transaction will have to propose to the Board's meeting and/or the shareholders' meeting to consider and approve those transactions as per the Memorandum and Articles of Association or other regulation which may involved.

7. Corporate Secretary

To comply with the good corporate governance principles of listed companies, under the category of director's responsibility and the terms of the Securities and Exchange Act, company has appointed the Vice President of the Office of the President and Corporate Secretary, Miss Kittikarn Pacom, as Corporate Secretary to provide the Board with legal advice and remind them of assorted regulations that they need to know and comply with; hold meeting; and supervise assorted Board activities to enable them to perform efficiently and effectively for the maximum benefit to company; prepare and maintain critical documents, including directors registration, Board meeting notices and minutes, annual reports; shareholders meeting notice and minutes; and filing of reports on connected transaction reported by directors or the management.

8. Independent Director of the Company's Board of Directors, Consists of:

- | | |
|---------------------------------|----------------------|
| 1. Mr. Chatchawal Bhanalarp | Independent Director |
| 2. Mrs. Jantima Sirisaengtaksin | Independent Director |
| 3. Mr. Suwat Lauparadorachai | Independent Director |
| 4. Mr. Poonsak Thiapairat | Independent Director |

Rules regarding the Qualification of "Independent Director" under the Notification of Capital Market Supervisory Board No.TorJor.4/2552 date 20 February B.E.2552 are as follows:

1. Holds shares not exceeding 1 per cent of the total share with voting right of the applicant, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the applicant, provided that the share held by the related parties if such independent director shall be included.

2. Is not or has never been an executive director, employee, staff, advisor who receive salary, not controlling parties of the applicant, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholder, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the Securities and Exchange Commission (SEC), provided that such prohibition shall not include the case that such independent director has ever been official or advisor of the government sector that is the major shareholders or controlling party of the applicant.

3. Is not the person who has relationship by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters, and children. The prohibitive person also include spouses of daughters and sons of management, major shareholder, controlling party or the person who is in the process of nomination to be the management or controlling party of the applicant or its subsidiary.

4. Have no or never had business relationship with the applicant, its parent company, subsidiaries, associates, major shareholder, or controlling parties of the applicant in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholder, or controlling parties of any person have business relationship with the applicant, its parent company, subsidiaries, associates, major shareholder, or controlling parties of the applicant unless the foregoing status ended at least 2 year prior to the date of submitting the application to the SEC.

The business relationship mentioned under the first paragraph shall include business transaction in ordinary business manner of rent, or lease the immovable property, transaction related to assets or services, or the financial support regardless of being lent or borrowed, guaranteed, secured, by assets, debt, and any otherwise similar performance which cause liability obligation to the applicant or counter party, have provided that such liability is equal to or exceed 3 per cent of the net tangible asset of the applicant or equal or above 20 million, whichever is lower. In this regard, the calculation of such liability shall be in accordance with the calculation method of the value of connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction mutatis mutandis. The liability incurred during a period of 1 year prior to the date of having business relationship with the above party shall be included on calculation of such liabilities.

5. Is not or has never been the auditor of the applicant, its parent company, subsidiaries, associates, major shareholder, or controlling parties of applicant, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the applicant, its parent company, subsidiaries, associates, major shareholder, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.

6. Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received the service fee more than 2 million per year from the applicant, its parent company, subsidiaries, associates, major shareholder, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.

7. Is not the director who is nominated to be the representative of directors of the applicant, major shareholders, or any other shareholder related to the major shareholder.

8. Do not operate the same and competitive business with the business of the applicant, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds share for more than 1 per cent of the total share with voting right of any other company which operates same and competitive business with the business of the applicant, or its subsidiaries.

9. Is not any otherwise is unable to have the independent opinion regarding the business operation of the applicant. After being appointed as the independent director in accordance with the conditions under the article (1) – (9), such independent director may be assigned by the board of directors to make decision in respect of

collective decision on business operation of the applicant, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholder, or controlling parties of applicant.

The provision under the article (2), (4), (5) and (6) related to the consideration of qualification of independent director of the applicant during the period of 2 years prior to the date of submitting the application to the SEC shall be applied to the application submitting as from 1 July 2010 onwards.

Where the person appointed by the applicant to be the independent director is the person who has or ever had the business relationship with or ever rendered professional service with higher service fees specified under the article (4) and (6), the applicant shall be relaxed from such prohibition related to the conditions of having the business relationship with or ever rendered professional service with higher specified service fees of only the applicant has provided the opinion of the board of directors of the company showing that the board has considered the issue in accordance with the Section 89/7 and found that there is no interference in the independent opinion, and the following information shall be disclosed in the notice of shareholders meeting under the agenda considering the appointment of independent director.

- (a) the business relationship of the professional service providing which cause such person being unqualified
- (b) reasons and necessity to insist the appointment of such person as the independent director
- (c) the opinion of the board of directors of the applicant to propose such person to be the independent director

For the benefit of the article (5) and (6), wording “partner” shall mean the person who is assigned by the auditing firm, or the professional service provider to be the signatory in the audit report or the report of rendering the professional services (as the case may be) on the behalf of the firm.

Note : * The Company has acknowledged the qualification of “Independent Director” which was amended in accordance with the Notification of Capital Market Supervisory Board No. TorJor. 28/2551 dated 15 December B.E. 2551 and TorJor. 4/2552 dated 20 February B.E. 2552, respectively, and is on the process of proceeding.

Nominating of Directors and Executives

To make it to be conformed to the corporate governance policy, the Company’s board of directors has set up the policy, criteria and methods of the recruitment of the Company’s directors and high ranking executives, assigning the nomination and remuneration committee to recruit the qualified persons to be directors of the Company. The qualified persons shall be selected by the nomination and remuneration committee who set up the criteria and procedures for the recruitment, however, depending on the Company’s situation during that time.

Directors and Executives Development

Board of directors has promoted, supported, provided the training and knowledge relating to the directors and executives to have them continuously improved. For examples, to promote the meeting between directors and high executives for the exchange of each other’s ideas and opinions, to encourage the preparation of the potential development plan of the president, vice president by assigning the nomination and remuneration committee to pursue the preparation of the plan to succeed the positions of president and vice president to guarantee that the Company has employed the executives with sufficient knowledge and competency to perform their duties as follows:

1. The nomination and remuneration committee shall set up the knowledge, competency and experiences of each position in order to recruit the qualified executives as required who are able to inherit the words of each position.
2. Human resources executive is assigned to supervise and follow up the training and development of knowledge and competency of the successors of the vice president positions.



Board of Director

1. Name	Mr. Chatchaval Bhanalaph
Position	Chairman and Independent Director
Age	68
Educational Qualifications	<ul style="list-style-type: none"> - M.Sc., Fort Hays Kansas State College, U.S.A. - B.A. Chulalongkorn University
Training Program	<ul style="list-style-type: none"> - Director Accreditation Program 11/2004 - Audit Committee Program 9/2005 - The role of the Chairman 12/2005 - Director Certificate Program (DCP) 88/2007
Shareholding	
(As of December 30, 2011)	0 share or 0.00%
Family relationship with other directors and member of management	None
Work experience	<p>2004 - Present Chairman of Board, Asian Property Development Plc.</p> <p>2004 - Present Chairman of Board and Chairman of Audit Committee, Prebuilt Plc.</p> <p>1994 - Present Director, Safety Insurance Plc.</p>

2. Name	Mrs.Jantima Sirisaengtaksin
Position	Director, Chief of Audit Committee and Independent Director
Age	61
Educational Qualifications	<ul style="list-style-type: none"> - BBA (Accounting), Chulalongkorn University - MBA (Accounting), Chulalongkorn University - The Management Development Program, SASIN - Advanced Management Program, Harvard Business School, USA
Training Program	<ul style="list-style-type: none"> - Senior Executive Program Course1 no.29, Ofce of the Civil Service Commission - National Defense College Class no.43
Shareholding	
(As of December 30, 2011)	0 share or 0.00%
Family relationship with other directors and member of management	None

Work experience

2007 Vice-Permanent Secretary, Ministry of Finance
 2004 Advisor – Information and Communication Technology, the Revenue Department
 2001 Vice Director - General, the Revenue Department
 2000 Revenue Division 4, the Revenue Department
 1999 Director – Tax Audit Ofce, the Revenue Department
 1999 Director – Tax Management Center – Large Business, the Revenue Department
 1997 Director – Tax Restructuration System via Computer (Temporary) , the Revenue Department
 1996 Computer Technical Ofcer 9, Bureau of Information Technology, the Revenue Department
 1993 Director (Computer Technical Ofcer 8), Tax Revenue Declaration Division, the Revenue Department
 1992 Tax Structure Specialist (Tax Technical Specialist 8), Plan and Policy Division, the Revenue Department
 1988 Computer System Specialist – Expert Level (System Ofcer 7), Tax Revenue Declaration Division, the Revenue Department

3. Name	Mrs.Ladavan Tanatanit
Position	Director, Chief of Executive Committee and Authorized Director
Age	66
Educational Qualications	<ul style="list-style-type: none"> - BBA (Management), Thammasat University - MBA (Finance), Eastern New Mexico University, USA
Training Program	<ul style="list-style-type: none"> - Advanced Bank Management Program (ABMP), Asian Institute of Management, The Philippines - National Defense College Class no.9 - Director Certication Program (DCP) no.96, Thai Institute of Directors - Senior Executive Program no.6, Capital Market Academy
Shareholding	
(As of December 30, 2011)	0 share or 0.00%
Family relationship with other directors and member of management	None
Work experience	<ul style="list-style-type: none"> - Present Land Allocation Committee– Central Section, Department of Lands - Present Consumer Protection Director, Ofce of the Customer Protection Board, the Prime Minister’s Ofce

- Present Director of Consumer's compliant screening subcommittee, Ofce of the Customer Protection Board, the Prime Minister's Ofce
- Present Director of the Real Estate Development Committee, the Thai Chamber of Commerce and Board of Trade of Thailand
- Present Director , the Housing Finance Association
- 1998 - 2005 Vice President – Real Estate Department, Bangkok Bank Plc.
- 1988 - 1998 Bank custodian – Real Estate Department, Bangkok Bank Pl.
- 1982 - 1988 Credit Manager – Construction and Real Estate Credit Department

4. Name	Mrs.Nalinee Ngamsetthamas
Position	Director, Nomination and Remuneration Committee, Executive Committee and Authorized Director
Age	52
Educational Qualications	<ul style="list-style-type: none"> - Bachelor of Science Program, Srinakharinwirot University - MBA (Finance), NIDA - CMIM, Certificate Master in Marketing Management, Thammasat University and Gotenberg University
Training Program	- Certificate of the Capital Market Leadership Program Class 8 from CAPITAL MARKET ACADEMY (CMA)
Shareholding (As of December 30, 2011)	0 share or 0.00%
Family relationship with other directors and member of management	None
Work experience	<ul style="list-style-type: none"> 2010 - Present Director and Chairman of Executive Committee, AIRA Capital Plc. 2006 - Present Director and Chief of Executive Committee, AIRA Securities Plc. 2004 - Present Director and Advisor of Executive Committee, Dharmniti Plc. 1999 - Present Director, AIRA Advisory Co.,Ltd. 1997 - 1999 Vice President of Finance Management, PTT Mart Co.,Ltd (PTT group) 1996 - 1997 Assistant Managing Director, Chao Praya Investment and Trust Co.,Ltd 1991 - 1996 Assistant Managing Director, Zmico Securities Plc.

5. Name	Mr. Kunakorn Makchaidee
Position	Director
Age	56
Educational Qualifications	<ul style="list-style-type: none"> - BSc. Accounting, The Thai Chamber of Commerce University - MBA., Dalta State University, U.S.A.
Training Program	<ul style="list-style-type: none"> - Certificate of the Capital Market Leadership Program Class 8 from CAPITAL MARKET ACADEMY (CMA) - Diploma of Directors Certification Program from Thai Institute of Directors Association (IOD) Australian Institute of Company Directors (AICO) 15th June 2001 - Certificate of Attendance of the Chairman 2000 Class 5/2001 on the 3rd December 2001 - Certificate of Attendance of the Audit Committee Program Class 17/2007 on the 27th – 28th June 2007
Shareholding	
(As of December 30, 2011)	400,000 share or 1.00%
Family relationship with other directors and member of management	None
Work experience	<p>2002 - Present Manager and Director, BVP Venture Capital Management Securities Ltd.</p> <p>2002 - Present Director, Chao Khun Agro Products Co., Ltd.</p> <p>2001 – 5/8/2009 Independent Director and Audit Committee, Bangkok Rance Plc.</p> <p>1992 - Present Venture Capital Fund Managing Director, Business Venture Promotion Co., Ltd.</p>

6. Name	Mr. Suwat Lauparadorachai
Position	Director, Audit Committee, Chief of Nomination and Remuneration Committee and Independent Director
Age	49
Educational Qualifications	MBA (Finance) California State University, U.S.A.
Training Program	Directors Accreditation Program (DAP11/2004)
Shareholding	
(As of December 30, 2011)	Spouse Holds 240,000 shares or 0.60%
Family relationship with other directors and member of management	None
Work experience	<p>Present Managing Director, Prime Image Plus Co., Ltd.</p> <p>1998 - 2001 Assistant Executive Director, KGI Securities (Thailand) Plc.</p>

7. Name Mr. Poonsak Thiapairat

Position Director, Audit Committee, Nomination and Remuneration Committee and Independent Director

Age 47

Educational Qualifications

- MBA (Finance and International Business), Sasin
- Master of Science Program in Logistics Management Chulalongkorn University

Training Program

- Directors Accreditation Program (DAP11/2004)
- Finance for Non-Finance Director (FN23/2005)

Shareholding

(As of December 30, 2011) 286,000 shares or 0.72%

Family relationship with other directors and member of management None

Work experience

2002 - Present Director, Eternity Group

8. Name Mr. Wiwat Kongkasai

Position Director, Executive Committee, Managing Director and Authorized Director

Age 55

Educational Qualifications

- BBA (Accounting) Chulalongkorn University
- MBA, NIDA

Training Program

- Directors Accreditation Program (DAP 2004)
- Directors Certification Program (DCP118/2009)

Shareholding

(As of December 30, 2011) 1,600,000 shares or 4.00%

Family relationship with other directors and member of management None

Work experience

1996 - Present Director, Executive Committee, Managing Director and Authorized Director, Dhanamitr Factoring Plc.

9. Name Mr.Wutthiphum Jurangkool
 Position Director , Director, Executive Comiittee
 Age 33
 Educational Qualications - Bachelor of Laws, Ramkhamhaeng University
 Training Program - Directors Certication Program (DCP 148/2011)-
 - Finance for Director (FFD 12/2011)
 Shareholding
 (As of December 30, 2011) 0 share or 0.00%
 Family relationship with other
 directors and member of
 management None
 Work experience
 2002 - Present Director and Director of Procurement Department of
 Auto Body Industry Co.,Ltd.
 - Auto Body Industry Co.,Ltd. (Ayutthaya branch)
 - SUMMIT Laemchabang Auto Body Work Co.,Ltd.
 - SUMMIT Laemchabang Auto Body Work Co.,Ltd. (Rayong branch)
 - SUMMIT Auto Tech Industry Co.,Ltd.
 - Thai Auto Industry Co.,Ltd.
 - SUMMIT R&D Center Co.,Ltd.
 - SUMMIT Advanced Materials Co.,Ltd.

10. Name Mr.Visit Vongruamlarp
 Position Director
 Age 63
 Nationality Thai
 Educational Qualications Bachelor of Accounting, Thammasat University
 Training Program , - Directors Accreditation Program (DAP 14/2004)
 - Directors Certication Program (DCP44/2004)
 Shareholding
 (As of December 30, 2011) None
 Family relationship with other
 directors and member of
 management None
 Work experience
 - Director, AIRA Securities Plc.
 - Independent Director, Don Muang Tollway Plc.

- Director and Audit Committee, D.T.C. Industries Plc.
 - Director, MFC Assets Management Plc.
 - President and CEO (Deputation), Government Saving Bank
 - Director and Chief of Executive Committee, Government Saving Bank
 - Vice Managing Director, TMB Bank Plc.
 - Vice General Manager, the Industrial Finance Corporation of Thailand
-



Management

1. Name	Mr. Kanokkit Navasiri
Position	Assistant Managing Director – Credit and Marketing Department
Age	53
Educational Qualifications	MBA, City University, Seattle, Washington, U.S.A.
Training Program	- Executive Development Program (EDP 4/2009)
Shareholding (As of December 30, 2011)	0 share or 0.00%
Family relationship with other directors and member of management	None
Work experience	1999 - 2001 Manager, Thai Max Finance and Securities Plc.
<hr/>	
2. Name	Mrs.Pornpilai Burasai
Position	Assistant Managing Director – Credit and Marketing Department
Age	49
Educational Qualifications	MBA, NIDA
Training Program	- Executive Development Program (EDP 9/2011)
Shareholding (As of December 30, 2011)	0 share or 0.00%
Family relationship with other directors and member of management	None
Work experience	2001 - 2011 First Vice President Corporate Client Solution, CIMB (Thai) Bank.
<hr/>	
3. Name	Mr. Jirasak Arkawat
Position	Assistant Managing Director - Operations Department
Age	54
Educational Qualifications	BBA (Accounting) Kasetsart University
Training Program	-

Shareholding

(As of December 30, 2011) 92,600 shares or 0.23%

Family relationship with other

directors and member of

management

None

Work experience

1999 - 2004 Vice President of Operations, Aira Factoring Plc.

4. Name

Mrs. Paisri Fakcharoenphol

Position

Vice President of Accounting and Finance Dept.

Age

49

Educational Qualifications

BBA (Accounting and Finance), The Thai Chamber of Commerce University

Training Program

-

Shareholding

(As of December 30, 2011) 22,500 shares or 0.06%

Family relationship with other

directors and member of

management

None

Work experience

1995 - 2001 Manager of Accounting Section, The Airport Property Co., Ltd.

5. Name

Mr. Somkiat Vachanasate

Position

Vice President of General Administration Dept.

Age

43

Educational Qualifications

- BBA (Management) Ramkhamhaeng University

- Diploma of Science Bansomdej chaopraya Rajabhat University

Training Program

-

Shareholding

(As of December 30, 2011) 0 share or 0.00%

Family relationship with other

directors and member of

management

None

Work experience

2006 - 2007 Head of Information Technology System

2003 - 2006 IT Manager, Roumrudee Estate Co., Ltd.

1996 - 2002 AVP Information Dept., Asset Insurance Co., Ltd.

6. Name Miss. Somjai Amornchainoppakun

Position Head of Internal Audit and Compliance

Age 40

Educational Qualifications BBA (Accounting) Siam University

Training Program -

Shareholding

(As of December 30, 2011) 0 share or 0.00%

Family relationship with other directors and member of management None

Work experience

2004 - 2006 Internal Audit and Compliance Manager, Advance Finance Plc.

2001 - 2004 Internal Audit and Compliance, Minor holding (Thailand) Co., Ltd.

7. Name Mr. Nithit Charasthong

Position Assistant Vice President of Operations Group

Age 47

Educational Qualifications Bachelor Degree of Economic , Thammasat University
MBA, Prince of Songkla University.

Training Program -

Shareholding

(As of December 30, 2011) 0 share or 0.00%

Family relationship with other directors and member of management None

Work experience

2001 - 2009 Assistant Vice President of Operations Group, SME Bank.



Good Corporate Governance

The Company's Board of Directors has been well aware of the intention to operate under the Good Corporate Governance by using the Policy on Good Governance Policy and disciplinary of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to be the factors in order to develop the organization to be more efficiency and to be the fundamental of continuous business growth. In the year 2011 the Company has been assessed the Corporate Governance from Thai Institute of Directors (IOD) as Rating 4 stars which is considering to be good. Since the Company has changed to be Aira Factoring Public Company Limited and joined the Stock Exchange on the Market for Alternative Investment (MAI) by the end of year 2004. The Company's directors have set up the policy of Corporate Governance of the company which the contents cover the governance structure including the roles and responsibilities of the Board of Directors and also the Sub-Committee, rights of the shareholders, shareholders' meeting, code of ethics for the directors, the prevention of conflict of interest, internal control and the disclosure of information.

In summary, the major components of the corporate governance are as follow:

1. Rights of the shareholders

- The Company always aware that each shareholder is the owner of the company. This factors which will ensure the shareholders to have trust and condence in investing in the business of the Company is to have the policy or the operation which reserves the fundamental rights that the shareholders should receive as by legal regulation. Moreover, it should also include the prompt engagement with effective and maximize efficiency. Finally the Company should earn the trust by investors and every relative partner as the Company which has good corporate governance.

1. Shareholders' Meeting

The Company has declared to have the Annual General Meeting of shareholders within 4 months after the end of the accounting year which in year 2011 the Company has called the Annual General Meeting on April 29th, 2011 at the Ratchada 5 Room, Basement Floor, the Chaophaya Park Hotel Bangkok located on Ratchadapisek Road, Samsenok, Huaykwang, Bangkok. There is having extraordinary meeting during that year. on September 9th, 2011 In the Annual General Meeting, every director has joined the meeting in total of 6 and extraordinary meeting, every director has joined the meeting in total of 9 including the senior management and the Company's external Auditor. The Chief of Executive Chairman has run the meetings completely as per the regulation and the results in every issues of the meeting have been approved in every minute proposed.

2. The sending out of the minute of the meeting of AGM in advance

The Company has designated the Thailand Securities Depository which is the Company's registrar to spread out the Invitation letter to the Annual general meeting which include the details of the agendum in the meeting, significant information for decision making and/or comments from the Company's Directors and the memorandum of the prior meeting which had all significant information, last year Annual report including the documents enclosed to the report / memo of proxy (form B) and documents used in the assignment of proxy and explanation documents of how to use the granting of proxy. These documents have been sent to the shareholders at least 14 days prior to

the assigned date of AGM and also published in the newspaper 3 consecutive days to inform the shareholders to be promptly prepare for the AGM.

- In the AGM, the Company has brought the information that disclose in the web site of the Company at www.airafactoring.co.th 30 days before the AGM both in Thai and English to allow the shareholders to have enough time to study the information which will be useful to make the decision making. In addition, the Company has prepared the three proxy forms, which are type A, B and C so that the Shareholders can select to use the forms and also to designate the independent directors at least one person to be the nominee in case that the shareholder cannot attend the meeting, the information are on the company's website.

3. The facilitate of the shareholders

On the day of the AGM, the Company has facilitated the shareholders equally by having the officers to take care, welcome and provide enough facility. On that day, the Company has opened for the registration since 8 a.m. which is 2 hours earlier before the meeting time and which have the Company's directors, management team, External Accounting Auditor and legal counselor to handle the rightness of the proxy, the countable methods of shareholders attending the meeting, the abstained of the shareholders who have special conflict of interest and to monitor the voting in each minute during the meeting.

4. The Shareholders' Meeting

Before each AGM started, the Chairman will announce the criteria included in the meeting and the method to count the shareholders' voting in case that the shareholders have to vote in each Company's resolution and including the voting of each agenda. When the information for each agenda has been provided, the Chairman will give the chance for each shareholder to propose their idea, to ask any questions in each agenda and will be given enough time to discuss. Finally, the Chairman and the Directors will answer the questions clearly, straightforwardly and give significant attention to every question.

The chairman will run the meeting in accordance to the sequence of the agendas and will not add any other agenda without prior notice to the shareholders. For the agenda to select the new directors, the process will be done by shareholder's voting one by one. Furthermore in each meeting there will be written report of the details as completely and concluded with the results of the resolution and numbers of approved, disapproved and abstained votes. Normally the meeting is held in approximately 1-2 hours. For the Annual General Meeting of year 2011, and Extraordinary General Meeting of Shareholders 1/2011 the meeting is set at 10.00 a.m., starting with the registration at 8.00 a.m. and the meeting will end at 11.00 a.m.

5. The execution after the shareholders' meeting

After the end of the AGM meeting, on the same day, the Company will summarize the results of the AGM and the resolution via the system ELCID of the Stock Exchange of Thailand and provide such information to both investors and shareholders in both languages, Thai and English. Lastly, the minute of the meeting, including the questions raised during the meeting will be submitted to the SEC and SET within 14 days from the date of the meeting and including the disclosure of the meeting through the company's website at www.airafactoring.co.th

2. Equitable Treatment of the shareholders

Though each shareholder may hold share in different amount and hence hold the rights in different portion (due to numbers of shares) but this does not mean that the fundamental rights of each shareholder will be different because the Company will treat the shareholders equally without regarding to gender, age, race, religious, belief and even though the shareholder cannot join the meeting with any inconvenient reason, that shareholder still has the right to grant the power to other person to join the meeting in his/her place.

(1) The grant of power of shareholder to raise the issues, lists of directors and forward the questions to the AGM in advance.

In order to allow the minority shareholders to participate in the operation and real audit of the company. Furthermore as the company is willing to operate under the good governance which prioritizes to the shareholders to have the rights to propose the important issues to add in the agenda of the AGM and to propose the name of the appropriate persons to be nominate to be the directors of the company. This also include that the shareholders will be able to send the questions prior to the AGM day through several channels which are by letters, email to www.airafactoring.co.th and company website.

For the Shareholder Meeting in year 2012, the Company has proposed the time for the shareholders to propose the agenda, list of directors and questions in advance between December 16th, 2011 to January 31th, 2012 to let the directors have times to consider.

As a result, there is one outsider propose his/her own to be the director of the Company. However, the directors have considered the qualification of this proposed director and found that the quality is less than other proposed directors and have informed that shareholder and the shareholders' meeting to acknowledge this information.

(2) Language used in the Meeting

Since the majority of shareholders who attend the Annual General Shareholder Meetings are Thai people, therefore the meeting is conducted in Thai. In order to facilitate foreign shareholders, the Company has sent the meeting's document in English for them and also set up the website of the Company in both language, Thai and English.

(3) Proxy for other person to attend the meeting

In order to preserve the rights for the shareholders who are not available to attend the meeting by themselves, they can give proxy to other person or other independent directors from the independent directors who attend the meeting whose the Company has stated their names in the proxy and also their other information i.e. biography, residential, educational data, position in other competitor companies or related companies, relational data of independent directors and any conflict of interest in the agenda. Furthermore in the Proxy that the Company sent to the shareholders also has specific details so the shareholders can vote specifically in the proxy.

(4) Using of the Voting cards in the Shareholders' meeting

The Company has used the Voting cards for the Shareholders' meeting for every agenda and will collect the cards for the shareholders that do not agree or abstained votes. For the agenda that select the directors individually, the Company gives each shareholder to vote by using the Voting cards (whether approve, disapprove and abstain) and the Company will collect all the Voting cards from every attendants to count for the voting results.

(5) Internal control to avoid the use of inside information of directors and employees.

The Company has set the procedures to avoid the transactions which may cause the conflict of interest and the use of internal data by setting the policy, guidelines and control principles which has set in the code of ethics to be used as the guidelines for all directors, executives, employees and related parties to use as the principle in considerations of the behaviors that may be risky to create such conflict of interests. The major principles are as follow:

5.1) indicate the Non-trading period for the shares of directors, executives and employees that related to the preparation of the financial statements by setting such non-trading period for at least one month before the announcement of the quarterly and annually financial statements.

5.2) The declaration of the amount of company's shares held by the directors and top management. The directors and the top management have to prepare and reported the buy-sell report of the company's shares within 3 working days after the changes to the company and the Securities and Exchange Commission (SEC). The Company's secretary will responsible for collecting the report of the changes in shareholding of directors and the top management.

5.3) The consideration of transactions which may cause conflict of interest. The Company has strictly followed the regulations from the Stock Exchange of Thailand (SET) by directing that those directors or management who has participated in transactions which may cause the conflict of interest shall not be able to participate in the decision making of those transactions. In addition the Company's secretary will also document the minute of the meeting and also the related transactions of such directors or top management to include in the minute of the meeting

3. Role of Stakeholders

Stakeholders of a company should be treated fairly in accordance with their legal rights as specified in relevant laws. The Board of Director should promote and support a clear policy on fair treatment for each and every stakeholder as follows:-

(1) Client and Customer Group: The Company has expected service as quality and fairness which has set practices as follow:

(1.1) Prepared Fair agreement and Communication to customer has correctable understand about the Company's service.

(1.2) Preservation for confidential and careful information of client and customer and not disclose it to other person except the client or customer should allow or proceeding against only.

(1.3) Reasonable and careful advice for client and customer has received higher benefit and pleasure.

(2) Creditor and Competitor Group: Friendship of business has went progression jointly in the future, the Company has set practices by fair practice with creditor and competitor with condition of agreement and non doing as a conflict of interest and code of conduct

(3) Director, Management and employee Group: Human resource is important resource as taken the Company achieve, so the Company has realized and set practice as follow:

(3.1) To built the process of manage as good relation between management and staff

(3.2) The Company has set clear guidelines for the appointment and selection of personnel by starting the job description in order to support information used in the selection of personnel also we required monitoring and evaluation of every new staff's performance be undertaken over a probation period.

(3.3) Encouragement to employee use knowledge, potential and prociency to do job and encouragement training with employee thoroughly. The Company has set the budget for training and the plan for staff training and development with the aim of improving his skill knowledge and changed experience. In order to support weakness found in the work evaluation, as well as set plans to develop the staff over the long term in order to support his rise through the ranks in the future, and the development of his future career path. This allows the staff to progress in his work depending on his capability, to maximize the use of his potential.

(3.4) Kept employee who is knowledge, the Company has realized and set practice as follow:

- The Company has set appropriate remuneration to staff commensurate with their qualication, Knowledge, skills and work experience including the annual adjustments of salary be made to staff once a year based on their work performance. The Company used Key Performance Indicator (KPI) system as tools in performance of staff and work units.
- The Company provides welfare for staff such as accident insurance, life and health insurance which staff will be reimbursed for their medical expense moreover reimbursement from the Social Security Ofce. The Company provides a medical check up once a year so that staffs are in healthy conditions and other welfare such as gift voucher for wedding, subvention of cremation and seminar for staff.
- The Company provides provident fund for staff.

(3.5) Succession Planning, The Company has the policy to prepare management who is key positions in order to be enough the organization for the future so we have prepared the plan to develop knowledge, skill and potential for the new management.

(4) Society and community

In the society and community, the Company also has the policy to operate the business with responsible for the society and community. With intention to raise up the quality of the society, preserve the rules, treaty, culture and respect and behave themselves to each parties with rightness and fairness. In order to support the abovementioned policy, the Company has set up the activity for Corporate Social Responsibility or CSR by supporting any charities which have social supportive transactions and by allocate some budget from the Company's revenue to use in this part. In addition the Company still also runs the activities to enhance the employees' conscious to response to the social both intentionally and continuously so as to keep it as the Company's good culture forever.

(5) Mechanism of participation of stakeholders

Any stakeholders can use the mechanism to contact, acknowledge, and notify the information of the company through these channels as follow:

- Telephone : Through Investor relation 02-512-1818
- Company' s website : www.airafactoring.co.th

- Sending via post or direct sending to Company's secretary Aira Factoring Public Company Limited
444 Olympia Thai Tower, 6th oor
Ratchadapisek Samsennok Huay Kwang
Bangkok 10320

Any queries or comments or complaints will be forwarded to the related department for correction and improvement. In year 2011 the Company does not have any disputes with regard to the stakeholders.

4. Disclosure and Transparency

The Board of Director has been important informed news, to disclose information of the Company, corrective updated and audit. The main intent is to ensure that investment in the company's securities is based on fair and informed decisions. The company's information disclosed to the general public comprises nancial and non-nancial information in both Thai and English. We have channeled our information disclosures, including our 56-1 from, annual report and website which are both Thai and English. We have following guidelines as follow:

- Financial Statement, Management Discussion and Analysis, as well as the Board of Director Responsibilities for Financial Statement together with the Report of the Independent Auditor.
- Report of the Audit Committee and Report of the Compensation Committee.
- Related transaction and internal controls.
- A Corporate Governance Policy and Report.
- Operation structure
- Operating results of individual Business units and annual business plan.
- Risk factors and risk management.
- To disclose about the Board of Director, the Audit Committee and management as follow:

(1) Duties and responsibilities of The Board of Director, the Audit Committee and the Executive Committee and time the attend meeting

(2) Remuneration of director and management are compose of policy of payment remuneration, other benet and amount of remuneration

(3) The director and related person information with the relationship between other director and non relationship. The companies disclose information on shareholding of directors and executives via the disclosure channel of the Securities and Exchange Commission (SEC) when there are any changes involved.

5. Responsibility

The Board of Director plays an important role in corporate governance and the Board is accountable to shareholders for the best interest of the Company. We have following guidelines as follow:

- Board Structure
 - (1) The Board of Director comprises of the 10 director who are knowledge prociency and own experiences in various areas; 2 of them represent the major shareholders; and 4 are non-executive and independent directors. To perform duties and be the balance of powers among the Board of Directors to create fairness and maximum the greatest benets to all shareholders.

Name	Position				
	Board of Directors	Audit Committee	Independent Director	Executive Committee	Nomination and Remuneration
1. Mr. Chatahaval Bhanalarp	●		●		
2. Mrs. Jantima Sirisaengtaksin	●	●	●		
3. Mrs. Ladavan Tanatanit	●			●	
4. Mrs.Nalineee Ngamsetthamas	●		●	●	●
5. Mr.Wutthiphum Jurangkool	●			●	
6. Mr. Suwat Lauparadorachai	●	●	●		●
7. Mr. Poonsak Thiapairat	●	●	●		●
8. Mr. Wiwat Kongkasai	●			●	
9. Mr. Kunakorn Makchaidee	●				
10. Mr.Visit Wongrumlap	●				

(2) The Board of Director has appointed independent director and be Chairman and aggregation of duties between the Chairman and the Chief of Executive Committee to perform their duties effectiveness and clear.

(3) The Company has segregation of duties between the Board of Directors and the Executive committee, as well as between the Boards of Directors and the shareholders are clearly dened by the Company

(4) Times of held the post for each direct as the Articles of Association of Aira Factoring PLC.

• Company Secretary

The Board of Director had appointed Miss. Kittikarn Pacom, Assistant Manager of General Administration department, to be the Company Secretary to take responsibility as set forth by law.

• The Company has set up sub of committees as follow:

(1) The Audit Committee has duties to follow up and monitor the Company's operating.

(2) The Nomination and Remuneration Committee had duties to consider on the remuneration and other benets paid to the director and committee including select and nominate qualied candidates to be Board of Directors.

(3) The Executive Committee has duties to operate and manage for normal business and establish the Company's business strategy, budgeting, management structuring and assigning authorities as well as setting up business standard operations to conform to the economic situations and presenting to the Board of Directors for approval.

• Roles and Responsibilities of the Board

(1) To perform and protect all benefit and disclosed information to comparable shareholders

(2) To comply the growth business has been in according with policy within the rule of legal and code of conduct

(3) To comply the Company has been good risk management and internal control

(4) To comply operating is transparent and disclosed the Information System has corrected and updated base on right of stakeholders.

• Board Meeting, The Board of directors meetings is regularly held in accordance to the Article of Association, which mandates that meetings are held at least every 3 months, or may call special meetings as necessary. Meeting agendas are sent no less than 7 days prior to the meeting date unless for emergency meetings, in order to maintain the company's rights and interest. Every meeting will have clear and concise agendas and sufficient supporting documents sent beforehand to the Directors for their perusal prior to attending the meeting. The Board of directors has freedom of speech and open debate, with the appointed chairman summarizing all suggestions and dissuasions. Minutes of meeting must be documented and led in an orderly manner for easy retrieval by stakeholders and all concerned. Time the attend meeting for director, the detail as follow:

Name	Attend / Total Meeting (Times)					
	Board of Directors		คณะกรรมการตรวจสอบ		คณะกรรมการบริหาร	
	2011	2010	2011	2010	2011	2010
1. Mr. Chatahaval Bhanalarp	6/7	5/5	1/6	5/5	-	-
2. Mr. Pandit Mongkolkul	1/1	5/5	-	-	1/1	10/10
3. Mr. Kunakorn Makchaidee	6/7	5/5	-	-	1/1	10/10
4. Mr. Piya Nguikaramahawongse	1/1	4/5	-	-	-	-
5. Mrs. Wimolmart Kuekomoldej	1/1	4/5	-	-	-	-
6. Mr. Suwat Lauparadorachai	7/7	5/5	6/6	4/5	-	-
7. Mr. Poonsak Thiapairat	7/7	5/5	6/6	5/5	-	-
8. Mr. Wiwat Kongkasai	7/7	5/5	-	-	13/13	10/10
9. Mrs. Wareemon Niyomthai**	0/1	4/5	-	-	-	-
10. Mrs. Jantima Sirisaengtaksin***	4/6	-	5/6	-	-	-
11. Mrs. Ladawan Tanatanit***	5/6	-	-	-	12/12	-
12. Mrs. Nalinee Ngamsetthamas***	5/6	-	-	-	11/12	-
13. Wutthiphum Jurangkool***	2/4	-	-	-	9/12	-
14. Mr. Visit Wongrumlap****	4/4	-	-	-	-	-

* Resigned on 25 February 2011

** Resigned on 28 February 2011

*** To take a position of the director resigned

**** To take a position of the director resigned 29 April 2011

- Conflict of Interest, The Board of Directors and the management carefully caution any conflict of interest that may occur. Consequently, they impose the policy on approval procedure and how the Board of directors supervises the use of inside information, conflict of interests and connected transactions are completely disclosed in order to perform in compliance to the Securities Exchange in Thailand's Notifications.
- Business Ethics, The Company has issued the written Code of Ethics as the guidelines for the Board of Directors, the Executive Committee and management including employees. The code of ethics covers objectives of business conduct, responsibility, business ethics, statutory compliance, competition, and information disclosure. The code of ethics is clearly denoted to employee at all level to be aware of and perform accordingly
- Remuneration

(1) Director Remuneration, The Directors remuneration are disclosed clearly and transparency and be comparable to the general practice in the industry. It is the duty of the Board of Directors with approval from the shareholders to determine the remunerations of the directors.

(2) Management Remuneration, The remuneration for executive management are determined in accordance with the principles and policy set by the Board of Directors and correspond to the performance of the Company as well as that of each executive.



Remunerations

The director remuneration policy has been clearly and transparently established by the Board of Directors, with the Nomination and Compensation Committee considering the policy for such directors and top management as President and Vice President. The policy will then be proposed to the Board of Directors for consideration before presenting to the shareholders meeting for consideration and approval.

The Remuneration of Directors Policy and Payment Criteria

The remunerations of directors determined by the Board of Directors comprise yearly director bonus and remuneration paid as meeting allowance with regard to the tasks, responsibilities and performance of directors being beneficial to the Company, compared to other companies of comparable size and nature of business. Directors will receive remuneration commensurate with more duties and responsibilities assigned.

1. The remuneration of the Board of Director shall pay to the director who attend meeting with the rate as follow

1.1 The Chairman	receive	25,000	Baht / time
1.2 The director	receive	15,000	Baht / time

2. The remuneration of the Executive Committee shall pay to the director who attend meeting with the rate as follow

2.1 The Chief of the Executive Committee	receive	15,000	Baht / time
2.2 The Executive director	receive	10,000	Baht / time

3. The remuneration of the Audit Committee shall pay to the director who attend meeting with the rate as follow

3.1 The Chief of the Audit Committee	receive	25,000	Baht / time
3.2 The Audit director	receive	15,000	Baht / time

4. The remuneration of the Nomination Committee shall pay to the director who attend meeting with the rate as follow

1.1 The Chief of the Nomination Committee	receive	15,000	Baht / time
1.2 The Nomination director	receive	10,000	Baht / time

5. The consulting remuneration of the Credit Committee shall pay to Mr. Visit Vongruamlarp when attending Credit Committee meeting with rate of 5,000 Baht / time.

6. The extra remuneration for the director, including the total remuneration of the director from No.1, No.2, No.3, No.4 and No.5, shall not exceed 2,750,000 Baht.

Director Remuneration As at December 31, 2010 and 2011

(Unit: Baht)

Name	Meeting Expenses								Gratuities		Total Remuneration	
	Position	Board of Directors		Audit Committee		Executive Committee		Advisory Committee on Finance				
		2011	2010	2011	2010	2011	2010		2011	2010	2011	2010
1. Mr. Chatahaval Bhanalarp	Chairman / Independent Director	175,000	125,000	25,000	125,000	-	-	180,000	245,000	380,000	495,000	
2. Mr. Pandit Mongkolkul *	Director / Chief of Executive Committee	15,000	75,000	-	-	15,000	150,000	-	210,000	30,000	435,000	
3. Mr. Kunakorn Makchaidee	Director	105,000	75,000	-	-	10,000	100,000	100,000	160,000	215,000	335,000	
4. Mrs. Wimalmart Kuekomoldej *	Director	15,000	75,000	-	-	-	-	-	160,000	15,000	235,000	
5. Mr. Suwat Lauparadorachai	Director / Audit Committee / Chief Nomination and Remuneration Committee/ Independent Director	105,000	75,000	90,000	75,000	-	-	100,000	160,000	295,000	310,000	
6. Mr. Poonsak Thiapairat	Director / Audit Committee / Nomination and Remuneration Committee / Independent Director	105,000	75,000	90,000	75,000	-	-	100,000	160,000	295,000	310,000	
7. Mr. Piya Nguakaramahawongse*	Director	15,000	75,000	-	-	-	-	-	160,000	15,000	235,000	
8. Mr. Wiwat Kongkasai	Director	-	-	-	-	-	-	100,000	160,000	100,000	160,000	
9. Mrs.Wareemon Niyomthai **	Director	15,000	75,000	-	-	-	-	-	160,000	15,000	235,000	
10. Mrs. Ladavan Tanatanit ***	Director / Chief of Executive Committee	90,000	-	-	-	180,000	-	120,000	-	390,000	-	
11. Mrs. Jantima Sirisaengtaksin ***	Director, Chief of Audit Committee and Independent Director	90,000	-	125,000	-	-	-	100,000	-	315,000	-	
12. Mrs.Nalinee Ngamsettamass ***	Director / Executive Committee / Nomination and Remuneration Committee	90,000	-	-	-	50,000	-	100,000	-	240,000	-	
13. Mr.Wutthiphum Jurangkool ***	Director / Executive Committee	60,000	-	-	-	120,000	-	90,000	-	270,000	-	
14. Mr.Visit Wongrumlap****	Director	60,000	-	-	-	-	-	90,000	-	190,000	-	
Total										2,765,000	2,750,000	

* Resigned on 25 February 2011

** Resigned on 28 February 2011

*** To take a position of the director resigned

**** To take a position of the director resigned 29 April 2011

Executive Remuneration As at December 31, 2010 and 2011

Type of Remuneration	(Baht)	
	2011	2010
Salary And Bonus	13,272,274	13,069,780
Provident Fund	810,920	722,424
Welfare-other	770,660	54,000
Total	14,853,854	13,846,204
Number of Executive	7	6



Control of inside information

The company has strict rules governing the protection of inside information that may not be disclosed or used towards any personal gain, whether directly or indirectly. The Board and the Executive members must not use the inside information before public disclosure, by notifying these Board and Executive members to avoid the trading of company shares one-month prior to the public disclosure of the financial statement. Apart from this, notification is also given regarding the reporting, acquiring and exchanging of shares to SEC and SET to conform to Article 59 and Article 275 of the Security Exchange of Thailand B.E. 2535

Human Resource

1. As at December 31, 2011, the Company had total staffs not include management of 37 persons

Department	Number of Full-time ofcer		
	2011	2010	2009
1. Credit and Marketing Department	9	11	10
2. Operation Department	14	12	13
3. General Administration Department	8	6	6
4. Accounting and Finance Department	5	5	5
5. Audit and Compliance	1	1	1
Total	37	35	35

The company has featured no significant changes and significant labor disputes have arisen over the past three years.

Remuneration and Welfare-other

The company's remuneration and welfare-other in the last three year:

Remuneration (Bath)	2011	2010	2009
Number of ofcer	37	35	35
- Salary and Bonus	13,338,419	14,073,613	11,859,009
- Welfare-other 2,692,153	2,692,153	1,776,127	1,782,585
Total	16,030,572	15,849,740	13,641,534

Human Resources Development Policy

The Human Resources Development Policy and Human Resources Administration Procedures have been linked up with the Company' strategy and business direction of the Company. The Company believes that the growth and expansion of the Company will depend on the quality and capable employee. Hence the Company decide to have the policy to concentrate on the development and improvement of the administrative and employee development systems to be up-to-date, in harmony with the advance technology and also the international standard in order to build up and develop the employees to be both good person and capable resource including sharing their capability to develop and helping the society. The Company also emphasizes the employees to be the major keys in order to develop the Company to become the successful organization and to increase the competency to compete with other competitors in the market. In 2011 the Company has several continuous development programs for every level of employees to develop their capability.

- TERS 16 course : Land, building and equipment, held by Faculty of Commerce and Accountancy of Chulalongkorn University Alumni Association
- TLCA Annual Risk Management Conference 2011 , TLCA Executive Development Program EDP 6 of Thai Listed Companies Association and Essential of investor Relations: Practical Training of Management and IR Ofcer
- Seminar: The ways of Good Corporate Governance and Risk Management and the SCP-Straogit Though, held by the Stock Exchange of Thailand.

Besides, The Company also promoted the employee who performs excellent potential corresponded to career developing plan. By year 2011 the Company applied the Key Performance Indicators (KPI) to the guideline in order to evaluate the individual staff's performance and also estimate employee's capability along with the business objective on the whole.

Dividend Payment Policy

The company policy for dividend payment will be not less than 60% of net prot after deduction of all reserves as specied in the Article of Association and by law. Unless otherwise necessary, the payment of dividends will not significantly affect normal company operations.



Risk Factors

Factoring is the business that involve directly in risk management so that the capability to manage risk is the key success factor of factoring company.

The Company realize on the signigance of the risk management under the uncertain change that may have an impact to business operation concerning both internal and external factors. The Company believes that the risk management is the vital part in every business operation and has to link its process with every level of organization. The Company, therefore, determines the Enterprise Risk Management policy that everyone in the organization must follow strictly and consider as the responsibilities for every department to manage and control their own risk under risk appetite.

Investment in Company's security, the investor should consider major risk factor from common business operation. Besides the risk factor contained in this document, there might be other risk factors either the Company is not able to notice at this time or the Company consider that there is no signicant effect toward business operation. As all information mentioned above, the investor, therefore, shall consider deliberately regard all risk factors. The major risk factors can be classied as follow:

1. Credit risk

There are three parties involved in the factoring business: the Company as the factor to purchase the accounts receivable, the client as the seller of the accounts receivable, and the customer as the buyer of goods on credit. Therefore, in identifying credit risk, consideration must be made on both the customer and the client. Here are some potential risk factors threatening the factoring business:

a. Debt servicing ability of clients/customers.

If the Company, the Company as the factor to receive from customer (seller), can not receive from customer, the Company can require from client to pay (case by case). The Company has the efcieny database of loan and can review status both client and customer are easy because the Company must be consider status both client and customer importance.

b. Risk from normal business operation arising between Invoice price and actual payment.

In case client and customer may offset debt as expense or return goods which is damage or fault but it has not signicant value. The Company has set ratio of receive document or amount as advance payment for suitable customer.

2. Risk from funding for credit expansion

As factoring is to provide credits on a short term of 30 to 120 days, the appropriate sources of fund are overdraft loans and short-term borrowings. Currently, the Company has supported nancially by others nance institution so the company has enough capital funds for business concurrent managed liquidity. To safeguard against such risk, "AF" manages its liquidity by matching the loan period with the receivables discounting period. As of December 31, 2011, "AF" debt to equity ratio stood at 3.79 times. However the Company can be concentrated fund by increased capital.

3. Risk from dependence on a major shareholder

“AF” major shareholder provided support to “AF” through facilitation of debt inspection or factored document inspection (receivables type 1), thus helping to minimize risk in debt collection. However, the Company has expanded its client and customer base to other groups in a bid to cope with such risk.

4. Risk from concentration of customers

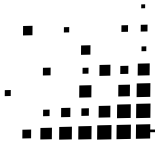
The Company determines the policy regarding denying the target client and managing risk by giving high importance to the group of clients that the Company can verify document and transfer right to pay debt directly to the Company. At present, the Company focuses on two major client bases; automotive industries and modern trade business. The proportion of factoring volume from such two industries of year 2011 is equivalent to 75% and the proportion of factoring volume from the group of customer that willing to transfer right to collect debt is equal to 50%.

5. Risk from interest rate fluctuation

As the loan interest is the Company’s main cost and has an effect on the determination of interest charge from clients as well as the Company’s competitiveness, the change in interest rate may impact its operational performance. The Company has set out measures to reduce such risk by matching the sources of borrowings with the lending via factoring to ensure interest spreads are maintained. Beside, the Company analyses the term of interest rate movement of factoring receivables, call borrowing and less than 3 months term borrowing and the Company adjusts the interest rate charge to receivables when the interest rate changes. Thus, the Company is flexible in its response to interest rate fluctuations, and, accordingly, the Company’s operations are not significantly exposed to interest rate risk.

6. Risk from competition

At present, there are about 17 operators of factoring and similar businesses, competition negatively results in lowered interest spreads, but augurs well for credit growth because the low interest rate helps to induce more entrepreneurs to use this service. “AF” However, the Company itself provides solely domestic factoring service, aiming at small and medium-sized industrial clients who are suppliers to the modern trade businesses in which “AF” has high expertise. These businesses, which are “AF” customers, are cooperative in confirming the factored documents and debt inspection, hence minimizing “AF” risk exposure and boosting its strengths in services. This, coupled with the Company’s close and good relationship with its clients, efficient credit management information system, and low operating cost, helps to ensure “AF” strong competitive edge.



Connected Transaction

In 2011 and 2010, the Company has disclosed the related parties' transaction between the people who might have a conflict of interest in note 6.8 in financial statement.

The following connected transactions are related via the same sharing of major shareholders and board of director. The Company has the policy for connected transactions in the future by setting the conditions in accordance with general commercial terms, such as suitable price and market condition. For those with no market price.

In Necessity and the rationale of the transactions.

Order to arrange the related transactions between the Company and other related companies in year 2011, the Company has the steps and procedures that clearly set to propose. The concept of credit facility granted, interest rate and condition in the approval of the credit line are the same as other normal customers of the Company. In addition the Company has the procedure in credit approval according to the Stock Exchange of Thailand's regulation, those who have conflict of interest in the transaction shall not involve in the approval of such credit approval.

Moreover, the Audit Committee has considered the related transactions during the year 2011 and has commented that the transactions are reasonable and the Audit Committee does not have any comments on these transactions.

Process in approving for connected transaction

In the case of connected transactions between the Company and the person with the conflict of interest now and in the future, the Company will authorize an Audit Committee and/or an Independent Committee to comment on price, remuneration and appropriateness of such transaction. The Company will disclose such information in the note of financial statement under connected transaction after approve by the Company's Audit Committee and/or Independent Committee.

Policy and trend for connected transaction

In the future, if there is connected transaction within the group of companies that may result in potential conflict of interest, the Company will strictly follow the act and notification of both the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.



Report of the Nomination and Remuneration Committee

By virtue of the resolution of the Board of Directors of the Company passed at its meeting No. 1/2012 held on 24th February 2012, the Compensation and Nominating Committee (the “Committee”) was appointed to perform and discharge certain responsibilities under the Charter for the Compensation and Nominating Committee. During the Year 2012, the Committee held one meeting in order to discharge its functions as assigned by the Board of Directors which can be summarized as follows:

1. Considered and proposed recommendation to the Board of Directors regarding the election of Directors to replace the Directors retiring by rotation;
2. Considered and proposed recommendation to the Board of Directors regarding the Directors’ remuneration;
3. To supervise the board of directors of the company to ensure that its size and components are suitable to the organization, including adjustment in response to the changing environment
4. To supervise directors and managing director to ensure that their remuneration is suitable to their duties and responsibilities assigned.



(Mr. Suwat Lauparadorachai)

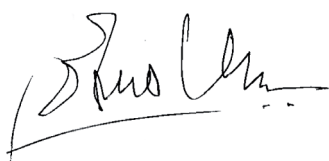
Chief of Nomination and Remuneration Committee



Report of the Board of Director's Responsibilities in the Financial Statement

The Board of Director's priority is to supervise the Company's operations that they are in line with the good corporate governance policies and that financial statements and financial data appeared in the Company's annual report contain accurate, complete and adequate information. Its duty is also to make sure that the financial statement are in line with the generally – accepted accounting principles practiced in Thailand where an appropriate accounting policy is being close and carefully pursued on a regular basis. In addition, the Board of Directors must also ensure that the Company has an effective internal control system to guarantee the credibility of its financial statement, that a protection system is in place to prevent unusual transaction, that a connected transaction that might lead to possible conflicts of interest is in fact an actual transaction reasonable carried out during a normal course of business for the Company's maximum benefit and that relevant laws and regulations are complied. The Audit Committee has already reported the result of its action to the Board of Directors and has also reported its opinions in the Audit Committee's Report as seen in the annual report.

In this regard, the Board of Directors is of the opinion that the Company's internal control system is proven satisfactory and contributes to the Company's credibility as of 31 December 2011. The Company's auditor has already audited it according to the generally-accepted accounting standard and has an opinion that the financial statements show an accurate financial status and operation result in its essence as per the generally accepted accounting principles.



Mr. Chatchaval Bhanalarp
Chairman of the Board



Mrs. Ladavan Tanatanit
Chief of Executive Committee



Report and financial statements

AIRA Factoring Public Company Limited
(Formerly known as “Dhanamitr Factoring Public Company Limited”)
Report and nancial statements
31 December 2011

Report of Independent Auditor

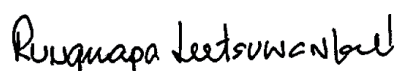
To the Shareholders of AIRA Factoring Public Company Limited
(Formerly known as “Dhanamitr Factoring Public Company Limited”)

I have audited the statement of nancial position of AIRA Factoring Public Company Limited as at 31 December 2011, and the related statements of comprehensive income, changes in shareholders’ equity and cash ows for the year then ended of AIRA Factoring Public Company Limited. These nancial statements are the responsibility of the management of the Company as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these nancial statements based on my audit. The nancial statements of AIRA Factoring Public Company Limited for the year ended 31 December 2010 were audited by another auditor who, under her report dated 17 February 2011, expressed an unqualified opinion on those nancial statements.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the nancial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the nancial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall nancial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the nancial statements referred to above present fairly, in all material respects, the nancial position of AIRA Factoring Public Company Limited as at 31 December 2011, and the results of its operations, and cash ows for the year then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned nancial statements, I draw attention to Note 3 to the nancial statements. During the current year, the Company adopted a number of revised and new accounting standards as issued by the Federation of Accounting Professions, and applied them in the preparation and presentation of its nancial statements.



Rungrapa Lertsuwankul
Certied Public Accountant (Thailand) No. 3516
Ernst & Young Ofce Limited
Bangkok: 24 February 2012



Statements of financial position

AIRA Factoring Public Company Limited
(Formerly known as “Dhanamitr Factoring Public Company Limited”)

Statements of financial position
As at 31 December 2011 and 2010

(Unit: Baht)

	Note	2011	2010
Assets			
Current assets			
Cash and cash equivalents	8, 9	23,376,344	41,546,166
Factoring receivables	8, 10	1,538,723,240	1,843,676,954
Current portion of loans receivable	11	21,616,211	30,285,895
Other receivables		11,279	334,108
Other current assets		247,361	220,152
Total current assets		1,583,974,435	1,916,063,275
Non-current assets			
Loans receivable	11	-	28,994,000
Equipment	12	4,902,373	3,897,933
Deposits and guarantees		994,220	981,656
Total non-current assets		5,896,593	33,873,589
Total assets		1,589,871,028	1,949,936,864

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



Statements of financial position (continued)

AIRA Factoring Public Company Limited
(Formerly known as “Dhanamitr Factoring Public Company Limited”)
Statements of financial position (continued)
As at 31 December 2011 and 2010

(Unit: Baht)

	Note	2011	2010
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	8, 13	1,151,000,000	1,587,000,000
Retentions from factoring		54,324,295	69,050,321
Other payables	8	6,378,790	5,406,252
Income tax payable		3,322,453	9,715,936
Other current liabilities	14	34,297,457	50,710,221
Total current liabilities		1,249,322,995	1,721,882,730
Non-current liabilities			
Provision for long-term employee benefits	15	8,280,373	-
Total non-current liabilities		8,280,373	-
Total liabilities		1,257,603,368	1,721,882,730
Shareholders' equity			
Share capital	16		
Registered			
40,000,000 ordinary shares of Baht 5 each			
(31 December 2010: 20,000,000 ordinary shares			
of Baht 5 each)		200,000,000	100,000,000
Issued and fully paid-up			
40,000,000 ordinary shares of Baht 5 each			
(31 December 2010: 20,000,000 ordinary shares			
of Baht 5 each)		200,000,000	100,000,000
Share premium		35,844,889	35,844,889
Retained earnings			
Appropriated - statutory reserve	17	12,600,000	10,000,000
Unappropriated		83,822,771	82,209,245
Total shareholders' equity		332,267,660	228,054,134
Total liabilities and shareholders' equity		1,589,871,028	1,949,936,864

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



Statements of comprehensive income

AIRA Factoring Public Company Limited
(Formerly known as “Dhanamitr Factoring Public Company Limited”)

Statements of comprehensive income
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	2011	2010
Profit or loss:			
Revenues			
Interest income from factoring	8	128,841,534	105,234,587
Fees and services income	8	26,046,222	25,778,561
Other income		4,666,034	5,650,421
Total revenues		159,553,790	136,663,569
Expenses			
Administrative expenses	8	62,742,843	50,360,885
Total expenses		62,742,843	50,360,885
Profit before finance cost and corporate income tax		96,810,947	86,302,684
Finance cost	8	(41,195,369)	(22,815,416)
Profit before corporate income tax		55,615,578	63,487,268
Corporate income tax		(4,301,649)	(17,655,982)
Profit for the year		51,313,929	45,831,286
Other comprehensive income:			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		51,313,929	45,831,286
Earnings per share			
Basic earnings per share	19	2.00	2.29
Weighted average number of ordinary shares (shares)		25,643,835	20,000,000

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



Statements of changes in shareholders' equity

AIRA Factoring Public Company Limited
(Formerly known as "Dhanamitr Factoring Public Company Limited")

Statements of changes in shareholders' equity
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Issued and fully paid-up share capital	Share premium	Retained earnings Appropriated	Unappropriated	Total shareholders' equity
Balance as at 31 December 2009	100,000,000	35,844,889	10,000,000	61,377,959	207,222,848
Dividends paid (Note 22)	-	-	-	(25,000,000)	(25,000,000)
Total comprehensive income for the year	-	-	-	45,831,286	45,831,286
Balance as at 31 December 2010	100,000,000	35,844,889	10,000,000	82,209,245	228,054,134
Balance as at 31 December 2010	100,000,000	35,844,889	10,000,000	82,209,245	228,054,134
Cumulative effect of change in accounting policy					
for employee benefits (Note 5)	-	-	-	(7,100,403)	(7,100,403)
Increase share capital (Note 16)	100,000,000	-	-	-	100,000,000
Dividends paid (Note 22)	-	-	-	(40,000,000)	(40,000,000)
Total comprehensive income for the year	-	-	-	51,313,929	51,313,929
Transferred to statutory reserve (Note 17)	-	-	2,600,000	(2,600,000)	-
Balance as at 31 December 2011	200,000,000	35,844,889	12,600,000	83,822,771	332,267,660
	-	-	-	-	-
	-	-	-	-	-

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



Cash flow statements

AIRA Factoring Public Company Limited
(Formerly known as “Dhanamitr Factoring Public Company Limited”)

Cash flow statements

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	2011	2010
Cash flows from operating activities		
Profit before tax	55,615,578	
63,487,268		
Adjustments to reconcile profit before tax to		
net cash provided by (paid from) operating activities:		
Depreciation	1,971,989	1,915,323
Bad debt and doubtful accounts	10,325,387	1,743,286
Loss on write-off of equipment	718	-
Gain on sales of equipment	(499)	(480,797)
Provision for long-term employee benefits	1,179,970	-
Interest expenses	41,195,369	22,815,416
Profit from operating activities before		
changes in operating assets and liabilities	110,288,512	89,480,496
Operating assets (increase) decrease		
Factoring receivables	294,628,327	(435,647,813)
Loans receivable	37,663,684	(14,499,895)
Other receivables	322,829	(324,631)
Other current assets	(27,209)	140,130
Deposits and guarantees	(12,564)	(17,601)
Operating liabilities increase (decrease)		
Retentions from factoring	(14,726,026)	987,619
Other payables	972,538	1,266,095
Other current liabilities	(18,286,189)	38,399,686
Cash flows from (used in) operating activities	410,823,902	(320,215,914)
Cash paid for corporate income tax	(10,695,132)	(12,862,080)
Net cash flows from (used in) operating activities	400,128,770	(333,077,994)

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



Cash flow statements (continued)

AIRA Factoring Public Company Limited
(Formerly known as “Dhanamitr Factoring Public Company Limited”)
Cash flow statements (continued)
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	2011	2010
Cash flows from investing activities			
Acquisition of equipment		(2,977,148)	(1,312,924)
Proceeds from sales of equipment		500	480,803
Net cash flows used in investing activities		(2,976,648)	(832,121)
Cash flows from financing activities			
Increase (decrease) in short-term loans			
from financial institutions		(436,000,000)	415,000,000
Proceeds from increase in share capital		100,000,000	-
Interest paid		(39,321,944)	(21,945,915)
Dividend paid		(40,000,000)	(25,000,000)
Net cash flows from (used in)			
financing activities		(415,321,944)	368,054,085
Net increase (decrease) in			
cash and cash equivalents		(18,169,822)	34,143,970
Cash and cash equivalents at beginning of year		41,546,166	7,402,196
Cash and cash equivalents at end of year	9	23,376,344	41,546,166

Supplement cashflow information

Non-cash transaction

Adjustment of reversal for long-term employee

 benefits with the beginning balance of retained earnings

7,100,403

-

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



Notes to financial statements

AIRA Factoring Public Company Limited
(Formerly known as “Dhanamitr Factoring Public Company Limited”)

Notes to financial statements

For the years ended 31 December 2011 and 2010

1. General information

1.1 Corporate information

AIRA Factoring Public Company Limited (“the Company”) (Formerly known as “Dhanamitr Factoring Public Company Limited”) is a public company incorporated and domiciled in Thailand. The Company was listed on the Market for Alternative Investment (MAI) on 25 August 2004. Its parent company is AIRA Capital Public Company Limited, (Formerly known as “AIRA Capital Company Limited”) which was incorporated in Thailand. The Company is principally engaged in receivable factoring. The registered office of the Company is at 444 Olympia Thai Tower, 6th Floor, Ratchadapisek Road, Samsennok, Huaykwang, Bangkok.

On 25 February 2011, the Company was informed by Chirathiwat Group and The Siam Commercial Bank Plc., which were the two major shareholders of the Company, that they had sold 11,470,200 shares they held in the Company to AIRA Capital Public Company Limited. As a result of such transaction, AIRA Capital Public Company Limited held 57.35% of the issued capital of the Company, reaching the point at which AIRA Capital Public Company Limited is required to make a tender offer for all shares of the Company. On 8 March 2011, AIRA Capital Public Company Limited and Summit Corporation Company Limited submitted a statement of intent to make a tender offer (form 247-3), whereby they will offer to purchase the shares at a price of Baht 24 each during tender offer period from 9 March 2011 to 18 April 2011.

On 21 April 2011, AIRA Capital Public Company Limited and Summit Corporation Company Limited reported the results of their tender offer for the shares of the Company. These were as follows:

- AIRA Capital Public Company Limited holds 11,470,200 shares, or 57.35% of the issued capital of the Company
- Summit Corporation Company Limited holds 4,543,400 shares, or 22.72% of the issued capital of the Company

On 9 September 2011, the Extraordinary General Meeting of Shareholders of the Company passed a resolution to change the Company’s name from “Dhanamitr Factoring Public Company Limited” to “AIRA Factoring Public Company Limited”.

2. Basis of preparation

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

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

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

3. Adoption of new accounting standards during the year

During the current year, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

TFRIC 15	Agreements for the Construction of Real Estate
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Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services
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These accounting standards do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. The Company previously accounted for such employee benefits when they were incurred.

The Company has changed this accounting policy in the current year and recognised the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year. The change has the effect of decreasing the profit of the Company for the year 2011 by Baht 1 million (0.05 Baht per share). The cumulative effect of the change in the accounting policy has been presented in Note 5.

4. New accounting standards issued during the years not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

5. Cumulative effect of changes in accounting policies due to the adoption of new accounting standards

During the current year, the Company made the changes to its significant accounting policies described in Note 3, as a result of the adoption of revised and new accounting standards. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

6. Significant accounting policies

6.1 Revenue recognition

Interest income from factoring

Interest income from factoring is recognised in the profit or loss using the effective interest rate method, over the period of debts being factored.

Fees and services income

Fees and service income is recognised when rights have been transferred or when services have been rendered taking into account the stage of completion.

Other income

Other income is recognised in the profit or loss on an accrual basis.

6.2 Expenses recognition

Finance cost

Interest expenses and similar costs are recognised on an accrual basis and charged to the profit or loss for the period in which they are incurred.

Other expenses

Other expenses are recognised in the profit or loss on an accrual basis.

6.3 Cash and cash equivalents

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

6.4 Factoring receivables

Factoring receivables are stated at the amount net of allowance for doubtful accounts and discount on factoring in advance.

6.5 Loans receivable

Loans receivable are stated at principal amount net of allowance for doubtful accounts.

6.6 Allowance for doubtful accounts

The allowance for doubtful accounts for factoring receivables is set at the higher of:

(1) A percentage of net factoring receivables (i.e. factoring receivables less factoring payables) as follows:

Factoring receivables	%
Not yet due	0
Past due up to 3 months	0
Past due over 3 months but within 6 months	20
Past due over 6 months	100

(2) 0.25% of total net factoring receivables

In addition, the Company considers to set up additional allowance for doubtful accounts for each debtor based on collection experience and analysis of debt aging.

Allowance for doubtful accounts for loans receivable and other receivables is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Bad debts are written-off as incurred.

6.7 Equipment/Depreciation

Equipment is stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

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

Computers	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Motor vehicles	5 years

Depreciation is included in determining income.

6.8 Related party transactions

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

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

6.9 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is

recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

6.10 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefit are recognised immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current year.

6.11 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

6.12 Income tax

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

7. Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Post-employment benefits under dened benefit plans

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

8. Related party transactions

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

(Unit: Million Baht)

	2011	2010	Transfer Pricing Policy
Transactions with related companies			
Interest income from factoring	- (1)	2	Market price
Fees and services income	- (1)	1	Market price
Interest expenses - Former Shareholders			
Group	2 (1)	9	Money market rate
Interest expenses - Current Shareholders			
Group	3 (2)	-	Money market rate
Examination fees on factoring documents	- (1)	1	In line with the market rate

(1) Transactions with a group of former shareholders are during 1 January 2011 to 28 February 2011.

(2) Transactions with a group of current shareholders are during 1 March 2011 to 31 December 2011.

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

Name of entities	Nature of relationships
Current shareholders group	
AIRA Capital Public Company Limited	Major shareholder
Summit Corporation Company Limited	Shareholder of the Company
AIRA Securities Public Company Limited	Common shareholders
Former shareholders group	
Central Department Store Co., Ltd.	Common shareholders
Robinson Department Store Public Co., Ltd.	Common shareholders
Power Buy Co.,Ltd.	Common shareholders
Siam Commercial Bank Public Co., Ltd.	Shareholder of the Company
Malee Enterprise Co., Ltd.	Subsidiary of common shareholders
Abico Dairy Farm Co., Ltd.	Subsidiary of common shareholders

As at 31 December 2011 and 2010, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	2011	2010
Cash and cash equivalents - related party		
Cash at bank		
Related company - Former shareholders group -		22,028

(Unit: Thousand Baht)

	2011	2010
Factoring receivables - related parties		
Related companies - Former shareholders group	-	41,932
Short-term loan from nancial institutions		
- related party		
Related company - Former shareholders group -		458,000
Other payables - related parties		
Related companies - Former shareholders group	-	640

During the year, movements of short-term loan from a related party in current shareholders group are as follows:

(Unit: Thousand Baht)

	Balance as at			Balance as at
	1 January			31 December
	2011	Increase	Decrease	2011
AIRA Securities Public Company Limited				
Face value of bill of exchange	-	300,000	(300,000)	-
Prepaid interest expenses	-	(3,175)	3,175	-
Bill of exchange - net	-	296,825	(296,825)	-

Short-term loan from a related party is bill of exchange with face value amounting to Baht 300 million and carries interest rate at money market rate which was fully repaid in July 2011.

Directors and management's benefits

During the years ended 31 December 2011 and 2010, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	2011	2010
Short-term employee benefits	17	17
Post employment benefits	1	-
Total	18	17

9. Cash and cash equivalents

(Unit: Thousand Baht)

	2011	2010
Cash	10	10
Deposits at financial institutions	23,366	41,536
Total	23,376	41,546

As at 31 December 2011, bank deposits in saving accounts carried interests between 0.67% and 0.75% per annum (2010: between 0.25% and 0.50% per annum).

10. Factoring receivables

(Unit: Thousand Baht)

	2011	2010
Related parties		
Factoring receivables	-	51,952
Accrued interest income from factoring	-	14
Total	-	51,966
Less: Factoring payables	-	(9,880)
Unearned interest income	-	(154)
Factoring receivables - related parties, net	-	41,932
Unrelated parties		
Factoring receivables	1,852,935	2,227,661
Accrued interest income from factoring	4,526	3,592
Total	1,857,461	2,231,253
Less: Factoring payables	(272,794)	(369,772)
Unearned interest income	(9,201)	(11,056)
	1,575,466	1,850,425
Less: allowance for doubtful accounts	(36,743)	(48,680)
Factoring receivables - unrelated parties, net	1,538,723	1,801,745
Factoring receivables - net	1,538,723	1,843,677

The balances of factoring receivables as at 31 December 2011 and 2010, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

Age of factoring receivables	2011	2010
Factoring receivables - Related parties		
Not yet due	-	43,786
Past due		
Up to 3 months	-	8,166
	-	51,952
Factoring receivables - Non-related parties		
Not yet due	1,709,279	1,936,064
Past due		
Up to 3 months	91,838	217,484
3 - 6 months	3,106	4,172
Over 6 months	48,712	69,941
	1,852,935	2,227,661
Total factoring receivables	1,852,935	2,279,613

As at 31 December 2011, factoring receivables which were overdue for over 6 months amounting to Baht 49 million (2010: Baht 70 million) before setting off the amount repayable to the transferor upon settlement of the factored debts amounting to Baht 14 million (2010: Baht 25 million). The Company has provided a full amount of allowance for doubtful accounts for such net receivables.

11. Loans receivable

(Unit: Thousand Baht)

	Within one year		Over one year but within five years		Amounts due: Over five years but within seven years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Not yet due	21,616	30,286	-	25,594	-	3,400	21,616	59,280
Past due								
Over 12 months	-	27,351	-	-	-	-	-	27,351
Total	21,616	57,637	-	25,594	-	3,400	21,616	86,631
Less: Allowance for								
doubtful accounts	-	(27,351)	-	-	-	-	-	(27,351)
Net	21,616	30,286	-	25,594	-	3,400	21,616	59,280

12. Equipment

(Unit: Thousand Baht)

	Computers	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost:					
1 January 2010	2,830	1,219	745	8,180	12,974
Additions	377	62	25	849	1,313
Disposals	(137)	-	-	(1,449)	(1,586)
31 December 2010	3,070	1,281	770	7,580	12,701
Additions	277	120	91	2,489	2,977
Disposals/ Write-off	(54)	(21)	(89)	-	(164)
31 December 2011	3,293	1,380	772	10,069	15,514
Accumulated depreciation:					
1 January 2010	2,275	714	554	4,931	8,474
Depreciation for the year	469	181	72	1,193	1,915
Depreciation on disposals	(137)	-	-	(1,449)	(1,586)
31 December 2010	2,607	895	626	4,675	8,803
Depreciation for the year	344	154	74	1,400	1,972
Depreciation on disposals/ write-off					
	(54)	(20)	(89)	-	(163)
31 December 2011	2,897	1,029	611	6,075	10,612
Net book value:					
31 December 2010	463	386	144	2,905	3,898
31 December 2011	396	351	161	3,994	4,902
Depreciation for the year					
2010					1,915
2011					1,972

As at 31 December 2011, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 6 million (2010: Baht 4 million).

13. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	2011	2010
Short-term loans from financial institutions			
Promissory notes	4.25 - 4.80	1,151,000	1,587,000

As at 31 December 2011, the Company had credit facilities for bank overdrafts and short-term loans from financial institutions. Under these credit facilities, the Company has to comply with certain terms and conditions prescribed in the agreements such as not to mortgage, pledge or create of commitment over any fixed assets (Negative pledge) or maintain the financial ratio, etc.

14. Other current liabilities

(Unit: Thousand Baht)

	2011	2010
Deposits and cheque in transit awaiting to transfer	34,294	50,700
Other current liabilities	3	10
Total	34,297	50,710

15. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2011, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	2010
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 5)	7,100
Current service cost	825
Interest cost	355
Balance at end of year	8,280

Long-term employee benefit expenses included in the profit or loss for the year ended 31 December 2011 amounted to Baht 1 million.

Principal actuarial assumptions at the valuation date were as follows:

	2011 (% per annum)
Discount rate	5
Future salary increase rate	8

16. Share capital

On 9 September 2011, the Extraordinary General Meeting of Shareholders of the Company passed a resolution to increase the Company's registered share capital from Baht 100 million to Baht 200 million in order to provide working capital and to fund expansion of its business, through the issue of 20 million ordinary shares with a par value of Baht 5 each, totalling Baht 100 million, to be offered to the existing shareholders at a rate of 1 new ordinary share for each existing ordinary share.

In September 2011, the Company received share subscription in full. The Company registered the increase in its share capital with the Ministry of Commerce on 10 October 2011 and the Market for Alternative Investment (MAI) approved the additional ordinary shares as listed securities on 17 October 2011.

17. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

18. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)	
	2011	2010
Salary, wages and other employee benefits	33,629	32,446
Depreciation	1,972	1,915
Bad debt and doubtful accounts	10,325	1,743
Specific business tax	5,262	4,494
Examination fees on factoring documents	2,463	2,359
Office rental expense	2,337	2,251

19. Earnings per share

Basic earnings per share is calculated by dividing profit (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

20. Segment information

The Company's business operations involve a single industry segment, the factoring business, and are carried on in the single geographic area in Thailand. As a result, all of the revenues, operating income and assets reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

21. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company contributes to the fund monthly at the rate of 5% - 10% of basic salary and employees contribute to the fund monthly at the rate of 3% - 10% of basic salary. The fund, which is managed by SCB Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2011, the Company contributed Baht 1,397,855 (2010: Baht 1,259,682) to the fund.

22. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividend on 2009 income	Annual General Meeting of Shareholders on 26 April 2010	25	1.25
Interim dividend from profit for period 2010 and half year period 2011	The Company's Board of Directors on 10 August 2011	40	2.00

23. Commitments and contingent liabilities

Operating lease commitments

The Company has entered lease agreements in respect of the lease of office building space. The terms of the agreements are generally 1 year.

As at 31 December 2011, future minimum lease payments payable less than 1 year required under these non-cancellable operating leases contracts were Baht 3 million.

24. Financial instruments

24.1 Financial risk management

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

Credit risk

The Company is exposed to credit risk primarily with respect to factoring receivables and loans receivable. The Company manages the risk by adopting appropriate credit control policies and procedures whereby the Company analyses credit details of customers and follows up customers with overdue accounts in accordance with credit control practices, and considers the amount of retentions from factoring and other obligation assets as collateral for each customer according to the assessed credit risk. Therefore, the Company does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of factoring receivables and loans receivable as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its factoring receivables, cash at banks, bank overdrafts, and borrowings. The Company mitigates this risk by matching the sources of borrowings with factoring receivables to ensure that the Company maintains an accumulated average spread of interest under the Company's policy. Moreover, the Company analyses the term of interest rate movement of factoring receivables, call borrowing and less than 3 months term borrowings and the Company adjusts the interest rate charge to receivables when the interest rate changes. Thus, the Company is flexible in its response to interest rate fluctuations. In addition, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2011 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalents	-	-	-	-	23	23	-
Factoring receivables	1,539	-	-	-	-	1,539	6.25 - 15.00
Loans receivable	22	-	-	-	-	22	7.50 - 12.75
	1,561	-	-	-	23	1,584	
Financial liabilities							
Short-term loans from financial institutions	-	-	-	1,151	-	1,151	4.25 - 4.80
Retentions from factoring	-	-	-	-	54	54	-
Other payables	-	-	-	-	6	6	-
	-	-	-	1,151	60	1,211	

Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the Company incurring a financial loss.

The Company has established a liquidity management policy, to ensure that the Company has sufficient liquidity to meet debt and other obligations when due in normal circumstances, and has the liquidity contingency plans in place to handle crisis situations, as well as to ensure that management of liquidity strikes an appropriate balance between costs and benefits.

Foreign currency risk

The Company is not exposed to foreign currency risk because no trading transactions are denominated in foreign currency.

24.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature, loans and borrowings bear interest rates which are close to the market rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

25. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2011, the Company's debt-to-equity ratio was 3.78:1 (2010: 7.55:1).

26 Event after the reporting period

On 24 February 2012, the meeting of the Board of Directors passed a resolution to propose a dividend payment for the year 2011 of Baht 1 per share to the Annual General Meeting of 2012 of the Company's shareholders for their approval. The dividend is allocated from the 2011 net income at the rate of Baht 0.375 per share and from the Company's retained earnings at the rate of Baht 0.625 per share, totaling Baht 40 million. The payment of the dividend is dependent on an approval being granted by the shareholders.

27. Reclassification

To comply with the Notification of the Department of Business Development relating to the financial statement presentation as described in Note 2 and as the result of the adoption of revised and new accounting standards as described in Note 3, certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, without any effect to the previously reported profit or shareholder's equity.

In addition, other reclassifications in order to conform to the current year's classification, without any effect to the previously reported profit or shareholder's equity are as follows:

(Unit: Thousand Baht)

	As reclassified	As previously reported
Statements of financial position		
Factoring payables	-	50,700
Other payables	5,406	-
Other non-current liabilities	50,710	5,416
Statements of comprehensive income		
Administrative expenses	50,361	33,765
Directors' and management benefit expenses	-	16,596

28. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2012.

