



2014

ANNUAL REPORT

รายงานประจำปี 2557

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Message from Chief of Executive Committee

Concerning the overall pictures of business operation for entire year 2014, AIRA Factoring PLC operating revenues decrease from previous year to THB185.89 million, which is THB 28.54 million or 13.31% drop from the previous year. The decline in income is due to the downturn in Company's purchase of trade document volume which is resulted from many factors, especially sluggish economy from uncertainty situation in the Country which continuously affected. Despite the decrease of Company's performance, the Company still put importance to operation of business for sustainable growth, transparency, fairness, responsibility, in order to protect benefit of all stakeholders as well as the public.

In year 2015, in order to boost competitiveness, the Company will develop aggressive marketing by focusing on careful monitoring on any change which may arise and adversely affect the performance of the company, particularly lending quality control and maintaining standard of service to impress customers. For overall risk management, in year 2015, the Company has a policy to expand customers' base such as auto parts, electric appliances, electronic, telecommunications, consumer goods and any related to health and beauty business because the said industries are large and important in Thailand with high growth rates which will improve our competitiveness.

On behalf of the Executive Committee, I would like to thank all shareholders, banks, customers for supporting the Company's operation including the Managements and all staffs who have dedicated with full capacity to the Company. Please be assured that AIRA Factoring PLC. will adhere to monitoring continuous growth for the highest benefit of shareholders, customers, and all stakeholder with fine balance and sustainability of the Company.



Mrs. Ladavan Tanatanit
Chief of Executive Committee

General Information

Company Profile

Company Name	: AIRA Factoring Public Company Limited
Address	: No. 319 Chamchuri Square, 20 Floors, Phayathai Road, Pathumwan Sub-District, Pathumwan District, Bangkok 10330
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 31,2014 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. Runghapa 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	: EY Office Limited (Formerly known as "Erns& Young Office Limited") 33 rd Floor,Lake Rajada Office Complex 193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110 Telephone : 0-2264-0777 Fax : 0-2264-0789-90

Financial Highlights 2014

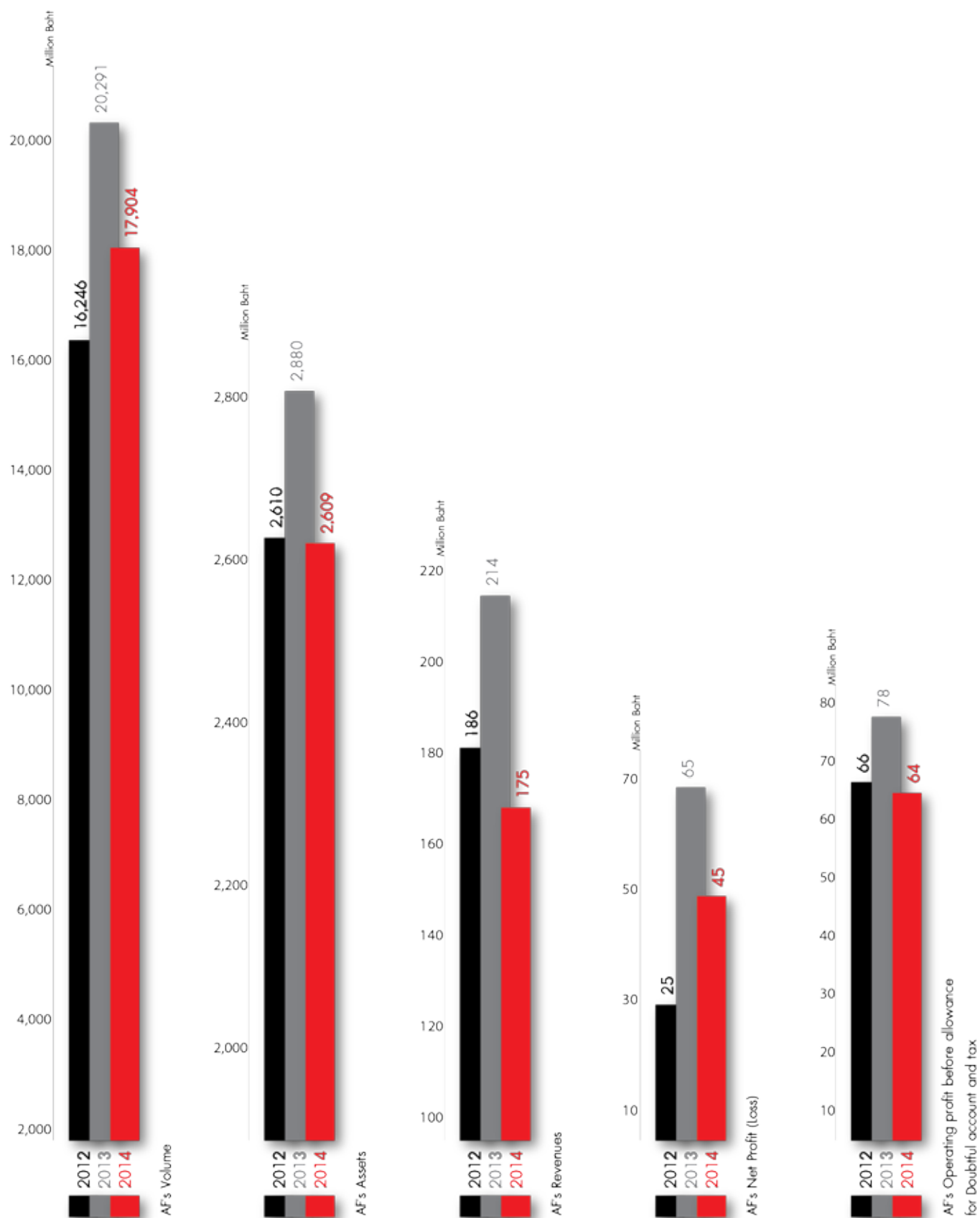


Table: Statement of financial position as at 31 December 2014, 31 December 2013 and 31 December 2012

Item	Unit: Thousand Baht		
	2014	2013	2012 (Restated)
Assets			
Cash and cash equivalents	45,533	87,426	61,752
Factoring receivables	2,419,327	2,662,276	2,409,204
Current portion of loans receivable	50,816	34,567	102,338
Other receivables	222	117	475
Other current assets	415	1,452	206
Loans receivable	64,100	73,547	22,980
Equipment	12,646	13,743	4,996
Deposits and guarantees	1,153	1,193	1,941
Assets held for sale	11,150	-	-
Deferred tax assets	4,742	5,725	5,270
Total Assets	2,610,104	2,880,046	2,609,162
Liabilities			
Short-term loans from financial institutions	2,165,749	2,356,673	2,116,531
Retentions from factoring	47,366	52,840	50,830
Other payables	2,198	6,401	5,312
Income tax payable	7,067	7,276	8,443
Other current liabilities	24,870	87,408	73,725
Non-current liabilities	11,401	15,041	12,747
Total liabilities	2,258,651	2,525,639	2,267,588
Shareholders' equity			
Issued and fully paid-up	200,000	200,000	200,000
Share premium	35,845	35,845	35,845
Capital contribution from parent company	246	103	-
Retained earnings - Appropriated - statutory reserve	19,700	18,200	14,900
Retained earnings - unappropriated	95,662	100,259	90,829
Total shareholders' equity	351,453	354,407	341,574
Total liabilities and shareholders' equity	2,610,104	2,880,046	2,609,162

Table: Statement of comprehensive income for the year ended 31 December 2014, 31 December 2013 and 31 December 2012

Unit: Thousand Baht

Item	2014	2013	2012 (Restated)
Revenues			
Interest income from factoring	147,824	171,448	139,644
Fees and services income	30,371	33,405	29,907
Other income	7,693	9,577	5,210
Total revenues	185,889	214,430	174,761
Expenses			
Financial cost	53,028	65,663	48,546
Administrative expenses	67,096	70,975	62,440
Bad debt and doubtful accounts (reversal)	27,861	(2,605)	4,041
Total expenses	147,985	134,033	115,027
Income tax expenses	13,002	15,667	14,488
Total comprehensive income for the year	24,903	64,730	45,246
Earnings per share (baht/share)	0.62	1.62	1.13
Factoring volumes (Million Baht)	17,904	20,291	16,246

Table: Cash flow statement for the year ended 31 December 2014, 31 December 2013 and 31 December 2012

Item	Unit: Thousand Baht		
	2014	2013	2012 (Restated)
Cash flows from operating activities			
Profit before tax	37,904	80,397	59,734
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities	86,920	68,860	58,756
Profit from operating activities before changes in operating assets and liabilities	124,824	149,257	118,490
Operating assets (increase) decrease	196,957	(233,402)	(979,594)
Operating liabilities increase (decrease)	(72,164)	16,301	35,399
Cash paid for corporate income tax	(12,227)	(17,289)	(10,577)
Net cash flows used in operating activities	237,390	(85,133)	(836,282)
Cash flows from investing activities			
Net cash flows received (used) from investing activities	(3,558)	(12,279)	(1,795)
Cash flows from financing activities			
Net cash flows received (used) from financing activities	(275,725)	123,085	876,453
Net increase in cash and cash equivalents	(41,893)	25,674	38,376
Cash and cash equivalents at beginning of year	87,426	61,752	23,376
Cash and cash equivalents at end of year	45,533	87,426	61,752

Financial Highlight

Unit: Thousand Baht

Item	2014	2013	2012 (Restated)
Profitability Ratio			
Gross Profit Margin (%)	64.13	61.70	65.24
Net profit margin (%)	16.85	37.75	32.40
Return on equity : ROE(%)	7.09	18.26	13.25
Efficiency Ratio			
Return on asset : ROA (%)	0.95	2.25	1.73
Total asset turnover (Times)	0.06	0.06	0.05
Current ration (Times)	1.11	1.10	1.14
Financial Ratio			
Debt to asset (Times)	0.87	0.88	0.87
Debt to equity (Times)	6.43	7.13	6.64
Interest coverage ration (Times)	1.71	2.22	2.23
Dividend payout (%)	80.31	61.80	88.41

Dividend Payment Policy

The company policy for dividend payment will be not less than 50% of net profit after deduction of all reserves as specified in the Article of Association and by law. Unless otherwise necessary, the payment of dividends will not significantly affect normal company operations. The dividend payment on the Company's is as follows.

Past Dividend Payment

Board Date	XD-Date	Payment Date	Dividend Type	Dividend (Baht/Share)	Operation Year
20/4/2015	28/04/2015	13/05/2015	Cash	0.50	01/01/2014 - 31/12/2014
28/4/2014	8/05/2014	21/05/2014	Cash	0.70	01/01/2013 - 31/12/2013
3/05/2013	17/05/2013	31/5/2013	Interim Dividend	0.30	01/01/2013 - 31/3/2013
10/04/2013	22/04/2013	08/05/2013	Cash	1.00	01/01/2012 - 31/12/2012
18/04/2012	26/04/2012	09/05/2012	Cash	1.00	01/01/2011 - 31/12/2011
10/08/2011	24/08/2011	08/09/2011	Interim Dividend	0.75	01/01/2011 - 30/06/2011
				1.25	01/01/2010 - 31/12/2010
29/04/2011	-	-	No Dividend	-	01/01/2010 - 31/12/2010
26/02/2010	06/05/2010	17/05/2010	Cash	1.25	01/01/2009 - 31/12/2009
08/04/2009	21/04/2009	07/05/2009	Cash	1.20	01/01/2008 - 31/12/2008
23/04/2008	07/05/2008	14/05/2008	Cash	1.00	01/01/2007 - 31/12/2007

Vision & Mission



(Vision):

“The Company determines to become the leader in the factoring credit service”



(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”

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.

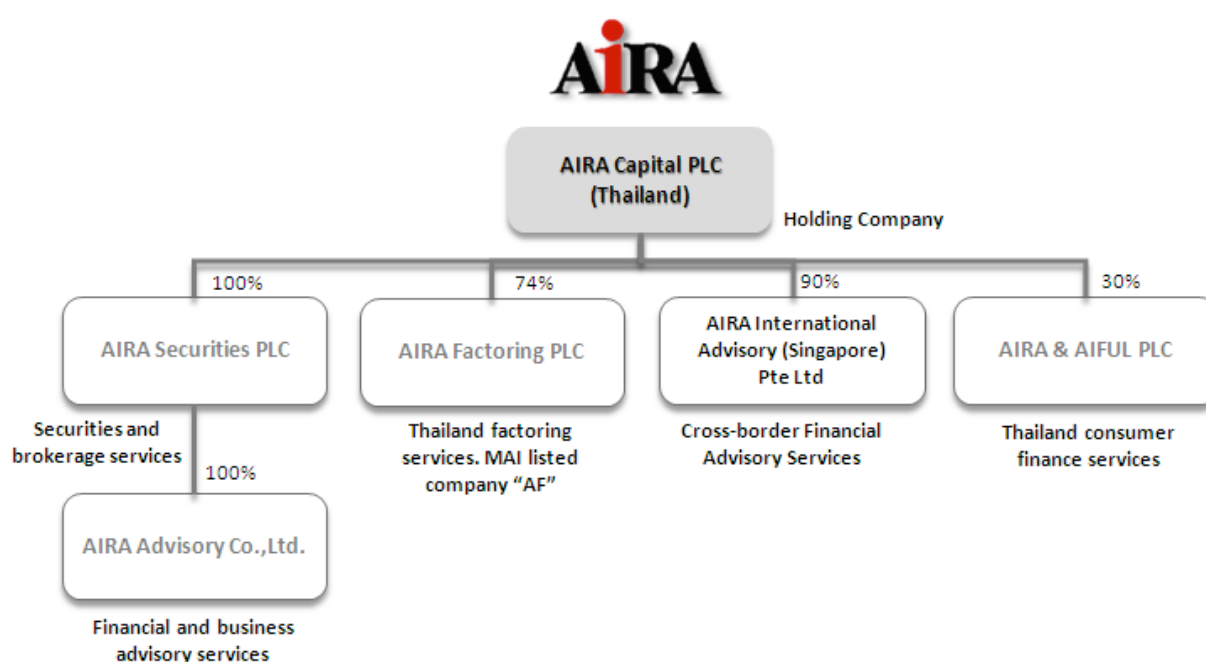
Then, on February 25, 2011, two of the major shareholders; the Chirathivat group and the Siam Commercial Bank Plc. group had disposed of its shares to AIRA Capital Plc. in the total amount of 11,470,200 shares or 57.35% of total issued and paid-up shares of the Company. The SUMMIT Corporation Company 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.

Afterwards, on date of 13 February 2013, the major shareholder structure has been changed by the distribution of Company share in total number of 6,420,000 shares equivalent to 16.05% of its registered shares to Aira Capital Public Company Limited. As the result of this transaction, the AIRA Capital Plc has held the total shares of 29,607,617 shares or 74.019% of total registered shares.

Besides, on date of 1 April 2013, the Company's head office has been moved from No. 444 Olympia Thai Tower 6th floor, Ratchadapisek Road, Samsennok Sub-District, Huaykwang District, Bangkok 10320 to No.319 Chamchuri Square Building, 20th floor, Phayathai Road, Patthuan Sub-District, Patthuan District, Bangkok 10330 in order to support business expansion in long term.

Relationship with business of major shareholders

The Company's factoring business is a part of AIRA Capital Public Company Limited's business, which is a holding company, holding shares equal to 74.019% of the Company's paid up capital. AIRA Capital has JRK Holdings Co., Ltd. As a major shareholder holding shares equal to 44.67% of paid up capital



AIRA Capital Public Company Limited has a policy to have each of its affiliates to have a policy and manage its own company. Since AIRA Capital Public Company Limited do the business by holding shares in other company (holding company) and no direct operation. Given such business, most of AIRA Capital's income is from its affiliates, namely,

- AIRA Capital Public Company Limited is a core company. The main business group of the Company Consists AIRA Securities Public Company Limited and AIRA Factoring Public Company Limited and AIRA & AIFUL Public Company Limited. and AIRA International Advisory (Singapore) Pte. Ltd.

Thus, business operation of core business and subsidiary are main source of income of AIRA Capital Public Company Limited.

Shareholders' and the Management Structures

Company Securities

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

Major shareholders

(top 10 shareholders as of December 30, 2014)

NO.	Name	Number of Shares	% of Total
1.	Aira Capital Public Company Limited	29,607,617	74.019
2.	Mr. Wiwat Kongkasai	1,600,000	4.00
3.	Mrs.Piyaporn Vichitpun	1,565,700	3.914
4.	Mr.Kulawut Wiratmalee	1,351,100	3.378
5.	Summit Corporation Company Limited	1,166,800	2.917
6.	Mr.Prachya Mongkolkul	765,100	1.913
7.	Mr. Kunakorn Makchaidee	500,000	1.250
8.	Mrs.Nida Sae-Lee	425,100	1.063
9.	Mr.Rungkarn Paisitpanittakul	300,000	0.750
10.	Mr.Poonsak Thiapairat	286,000	0.715

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

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 18 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 2014, the Company generates income less than the previous year. In 2014, the total income is 185.95 million baht, reduced by 28.54 million baht or by 13.31% comparing to the same period of time in the previous year. The factor that affects the reduction of income in 2014 is that the value of document purchasing rate is reduced because of several reasons; particularly the deceleration of the economics as a result of unstable circumstances in the country continuously creates effect to reduce the purchasing. Moreover, due to the Company's policy to accomplish the year of quality, the Company restricts more on customers to control the quality.

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 financial statement for year ended 2014 to 2012 is as follow:

Revenue	2014		2013		2012	
	Baht	%	Baht	%	Baht	%
Factoring income	147,824	79.52	171,448	79.95	139,644	79.90
Fees and services	30,371	16.34	33,405	15.58	29,907	17.12
Other income	7,693	4.14	9,577	4.47	5,210	2.98
Total revenues	185,889	100.00	241,430	100.00	174,761	100.00

Product and Services

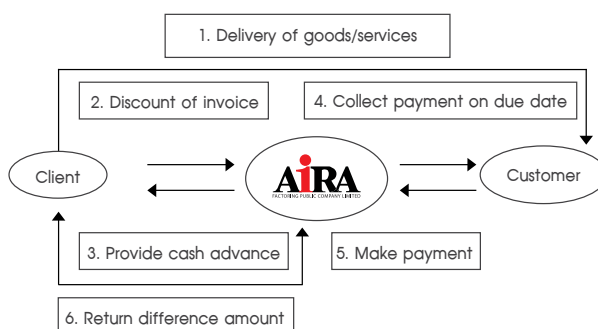
The Company's main business is to provide short-term financing service by transferring creditors' right or factoring service.

Nature of Service

AIRA Factoring Public Company Limited ("Company") operates factoring business or buying accounts receivables and transferring the domestic creditor's right (Domestic Factoring). The Company provides short-term financing services by transferring the creditors' right at a discount. The main target market of the Company is Small and Medium Enterprises which need working capital for their business operations and mostly are at the stage of growth or business expansion where factoring could enhance their financial liquidity and strength (hereinafter referred to as the "clients".) The Company has an efficient credit control system to reduce any potential risks such as considering the proportion of clients in each business sector in order to manage risk properly. The Company's clients are in the business sectors that have good business growth rate and high potential. At present, the Company aims the target in the electronic devices industry, electronics, telecommunications, consumer goods and industries related to health and beauty, etc. since it is a large and important industry of the country and has a continuous growth rate. The industry has a good business condition and involved with many stakeholders; together with the clear nature of its business transactions, the Company could manage risks efficiently and there would be an opportunity for the Company to increase its business transactions.

Normally, the clients provide credit term to their debtors. If the clients need cash for their working capital or material purchases before the due date, the clients could sell the commercial documents at a discount namely delivery order, purchase order, and invoice and transfer their rights to collect money to the Company. The Company will pay cash in advance about 80% of amount stated in the commercial document to the clients. After that the Company will collect money from debtors in an exact amount stated in the commercial documents on the due date, which is usually not over 180 days and it will return the difference between the discount and the collected amount to the clients.

Diagram shows Process of Factoring



Nature of Clients and Target Group

The Company has policy to provide credit to Small and Medium Enterprises which are short of financial supports and in the industrial sector, commercial sector, and service sector which have good business trend, growth potential, and expansion in accordance with the economic condition. More than 45% of the clients are the distributors of modern trade business and 35% are the clients of automotive parts manufacturers whereas the rest are the distributors of large business enterprises and international business. Most of the factoring clients are the suppliers for automotive parts, electric appliances, textile and clothes; and food and beverage, etc.

Industry Condition and Competition in 2013 and outlook in 2014

The overview of factoring service in 2007 has a drop in growth rate since the overall economic situation has not been improved. Despite the Government (NCPO) establishing investment policy to continuously increase economic activities and due to greater production cost and living cost such as wages, energy price, electricity charge, transportation expense, etc., there is still effect on reduced household spending as well as the fact that consumers decelerate their spending as a result of high rate of household debts.

The Office of Industrial Economics, Ministry of Industry has revealed that the overview of Manufacturing Production Index (MPI) throughout 2014 has been reduced by 4% but recovered in October by having been less reduced by 2.9%. Such reduction has affected the business industries and the amount of document purchase of the Company as follows:

- Automotive production industry which has gained high rate in the previous year, the industry situation in 2014 is cut down comparing to the previous year, that is, the number of automotive production is expectedly 1,950,000, which is reduced by 20.64%. This number refers to 850,000 automotives for domestic distribution, which is reduced by 35.90% and 1,100,000 automotives for export production, which is increased by 2.50%. In respect of the year 2015, it is expected that the production will be expanded by 10% or approximately equivalent to the amount of 2,150,000 automotive productions since the domestic economic situation together with the export markets tends to be promoted.

- In the field of electricity and electronics, the industry situation in 2014 is expected that the production will be improved by 1-2% as a result of the expansion of air-conditioner industry being exported to more major markets, especially in ASEAN market. In respect to the tendency in 2015, it is expected that the production will be increased by 2-4% owing to positive factors regarding the economic promotion policy that has been continuously established. The expansion of digital TV market will affect domestic consumers' purchasing power in 2015.

- In the field of textile and clothing, it is expected that the overview in 2014 will be expanded, especially for ready-to-wear clothes. The manufacturer may gain advantages from sport leagues. We expect the overall production in the field of textile and clothing will be increased in both production and exportation, particularly textile industry will be mostly for ASEAN market.

- With regard to food industry, we expected its overall production in 2014 to be promoted approximate by 1-3% as a result of the tendency of the country's economic being gradually recovered. As for the overview in 2015, it is expected to be expanded approximately 0-5% resulting from the tendency of the economic recovery as well as from the firm belief of the consumers that the economic will be considerably improved.

Source: The Office of Industrial Economics and the Information Division, Office of the Permanent Secretary

From the above overview on Thai industries in 2015, the Company expects improvement of expansion by using our offensive strategies as our business plan in 2015. Our goal is set to increase our growth rate by 30% from 2014 with specific target on potential Small and Medium Enterprises (SMEs) that are juristic persons duly organized in the country. As for Modern Trade and Automotive and automotive parts industries including any other industries and services such as electronic devices, food, beverage, packaging paper, electronic parts, and services (recruitment, security guard, entertainment and recreation), customers in the mentioned industries and services are required to have experience in business relevant to credit policy of the Company as well as to possess development potentiality under appropriate risk management.

Competitor

Since factoring services become more popular, it is inevitable that the competition becomes more intense, especially the competitors in the field of banking industries or its affiliates also pay more attention to this kind of credit services. However, the Company consistently focuses on our old customers as well as the new ones expanded, particularly in the field with positive tendency to grow as well as focuses on services rendering with Small and Medium Enterprises (SMEs) in which it requires considerable demand of revolving funds to promote their cash flow and to expand their business. With our staff qualified in credit factoring for over 18 years combining with our promptitude and flexibility to grant credit, the Company trusts we will be one of the leading factoring services.

Currently, there are 15 enterprises in factoring services sorted by its nature of business as follows:

1. Factoring enterprises that are commercial banks and such banks are shareholders: the competition of this group of enterprise has advantage in approaching customers due to the network of commercial banks and low financial cost but there are limitations in considering credit factoring since no guarantee is required to provide.

2. Factoring enterprises with their shareholder being big retailers or leading industries: the competition of this group of enterprise has advantage in approaching customers that are suppliers of such retail business or industries. This group of enterprises acquire customers from their own markets.

3. General factoring enterprises: this group of enterprises are composed of greater number of enterprises. The competition of this group of enterprises are various, that is, it focuses on credit and efficient markets that are accessible to approach targeted customers. Moreover, this group is with great flexibility in services and criteria in line of credit but without capital and experienced personnel which are significant limitations.

Business Goal

The Company aims to be a leading factoring company in Thailand in order to encourage the new investment and increase the in-house consumption by strengthening and supporting the entrepreneurs to have alternatives approach to source of funds: apart from other financial institutions. The Company shall focus on the target group that it has a good understanding in their business directions and intends to support the Small and Medium entrepreneurs under the efficient risk management system. It has a credit scoring system to closely evaluate the credit quality of its clients and debtors with the understanding in the nature of their business like a business partner.

Besides the above mentioned business goal, the Company intends to operate with good corporate governance in order to generate profits and compensation to the shareholders as well as a sustainable growth in long term.

Competitive Strategy

The Company has the competitive strategy by emphasizing on the business sector that the debtors cooperate with the Company in transferring the right to receive money. The Company will buy commercial documents that have been informed debtors of the transfer of creditors' right and requested the debtors to acknowledge such right transfer. The Company then is able to verify debt before buying commercial documents causing the competitive advantage and lower risk advantage than other competitors. The Company has an apparent target market; it will focus on low-risk and verifiable clients. The first priority will be given to credible debtors who are able to transfer the creditors' right to the Company.

In addition, the Company has a policy to expand its client base in the existing group of suppliers of department stores and the group of automotive parts manufacturers, which have a growth opportunity by using the factoring service as a financial instrument for enhancing business expansion. The Company also gets supports from the group of shareholders by recommending various businesses that require factoring service. Moreover, the Company makes promotion to directly approach to the target clients by developing brochures about factoring service since there are many entrepreneurs that do not have knowledge or understanding about factoring service. It ensures the information relating to the clients' business management is sufficient to provide the useful advice and recommendation to the clients as well as providing services and facilitation in increasing credit line for more business opportunities of the clients. It also emphasizes on the efficiency of business operations together with the control of operating cost.

The strengths of company are as follows:

1. The Company has operated for more than 18 years with the high experience and reputation in the industry.
2. The Company runs domestic factoring business and clearly focuses on the low-risk market in which the Company could verify information; and place importance on the credible debtors and its right transfer so that its risks in debt collection is low.
3. The Company has stable shareholders who could provide assistance in both term of business and finance to the Company. Moreover, it has been supported very well by the group of major shareholders.
4. The Company has a standardized and reliable credit administration system. It has a consideration process to systematically examine risks and continually follow up the clients' status in order to reduce business risks.
5. The Company ensures that it has sufficient information relating the clients' in order to provide useful advice and recommendation to the clients. At the same time, it places importance on providing the convenient, prompt and intimate service to the clients and be flexible in considering any issues in order to satisfy clients' need under the suitable condition.

Risk Factors

The operation of factoring business is directly involved with risk management. The capability to manage risk is, then, a key success factor of the business.

In 2012 the Company established the Office of Risk Management to serve the expansion of business. It is responsible for examining and monitoring the business operations to be in line with the business plan and credit policy resulting in efficient risk management and acceptable risk rate.

Beside the credit risk management, the Company realizes the importance of risk management under the changing environment which could have an effect on business both internally and externally. The Company regards risk management as the most importance composition of every process in the business operations. It has to be connected at all level and realizes that it is the accountability of every department to manage and control risk to be at appropriate rate.

To invest in the securities of the Company, the investors should consider the risk factors which arise from the nature of business operations of the Company. However, apart from the risks factors mentioned in this document, there would be other risks which the Company is presently not aware or the Company considers that it would not have an effect on its business operations. The investors, therefore, should carefully consider all risk factors. The major risk factors can be classified as follow:

1. Credit Risk

To operate factoring business, there are 3 involved parties as follows:

1. The Company as the factor who purchase the accounts receivables.
2. Clients as the seller of the account receivables.
3. Customers as the buyer of goods on credit.

The clients will transfer its creditors' right to the factor. Therefore, to identify credit risk, the consideration on both of client and customers risk must be made. In this regards, the credit risks of factoring business are as follows:

a. Debt Service Coverage of Clients and Customers Factor is the transferee of the creditors' right from the clients (Seller of Goods) to collect debt on goods on the due date. If it cannot collect money from the customers (Buyer of Goods), the factor has a right to require clients to pay debt unless there is a transferring condition such as the right transfer with the without recourse condition. The factor, then, has to carefully consider the business status of the clients and customers. The Company has an efficient credit administration system which allows the Company to monitor clients and customers in a timely manner. The Company frequently follows up accrued debts so that the Company could acknowledge the problems and solve them promptly in case that there is risk default. The Company focuses on the group of stable customers who cooperate with the Company in transferring the right to receive money, especially the credible customers in the group of department stores and retail business who provide cooperative assistance in verifying data before purchasing the commercial documents. This, then, could significantly reduce its credit risks. In 2012-2013 and 2014, the Company's bad debt (overdue for more than 6 months) is just only 2.17%, 1.62% and 3.17% of total customers respectively.

B. Risk from deduction of debt between clients and debtors or seller and buyer of products

This risk is according to commercial agreements which can occur in case there is any defect in the product, when the product is outdate, or when there is reduction of commercial expenses i.e. product delivery expense, consideration from sale of product. Thus, buyer of product is entitled to deduct such expenses before making payment to the Seller. This is one of the risk in factoring business since the factoring company makes advance payment for the product on behalf of the buyer (debtor). Thus, there are chances that the factoring company does not receive full payment of debt in such cases. To manage the risk, type of product i.e. product that is not easily out dated or product with high potential of return should be taken into consideration. Also the Company should establish proper buying proportion of commercial instruments (buying value calculated in per cent compared to the value

of commercial instrument) in order not to have a margin in case there may be incomplete payment for product according to the instruments value, including the guarantee amount for the credit amount in certain cases.

2. Risk from source of fund procurement for credit expansion

Since factoring business is giving short term credit, not exceeding 180 days average, source of fund should be short-term source of fund. Currently, there are several financial intuitions giving financial support to the company at the amount of more than 2,000 million Baht. In this regard, such amount consists of the overdraft amount and short-term loan where there is risk of being called for repayment of loan before the Company receives repayment of debt. However, the Company manages its liquidity to prevent such risk by borrowing money under the term in line with the debt buying period. Since most debtors are from modern trade group and large motor vehicle components, the due date of debt is specific. The Company, thus, can manage its liquidity effectively and more flexible in the matter of source of fund for granting of credit in the future. As of the end of 2012-2013 and 2014, the proportions of liabilities to equity are equal to 6.64, 7.13 and 6.43 times respectively.

3. Risk from reliance on group of ex-shareholders

On 25 February 2011, AIRA Capital Public Company Limited has offer to buy the Company's securities from buying shareholder which is an old major shareholder of the Company, namely, Jirathiwat Group under the terms of the Memorandum of Understanding between AIRA Capital Public Company Limited and the Seller that the Seller will provide financial support in the operation between the Company and group of clients listed on the Agreement for 3 year-term from the date of shares sale and purchase under the Agreement. Thus, after 25 February 2014, the Company will have a risk to maintain clients from failure to receive such financial support from group of old shareholders.

Nevertheless, such risk should not have very much effect to the Company's operation since the proportion of debtors in such group (Major shareholder or Jirathiwat) is only 12% and most are clients who have been contacted with the Company for a long time. Even such client would not have a cooperation according to such Agreement, the Company still have good relationship with such clients and good understanding in business and potential risk.

4. Risk from dependence on the customer and major debtors

Dependence on major clients in 2013 and 2014, the proportion of income the Company gained from top 10 clients are 31.95% and 30.17 % of total income of the Company respectively. The Company mainly depends on the clients in auto components industry and metal component. This results from expansion of client base to disseminate risk from dependence on client from any one industry. As of 2013, the Company has outstanding amount of the clients in such industries (4 clients from top 10 clients) 482.97 million Baht in total or equal to 15.31% of the proportion of outstanding debt. The value of outstanding debt of clients from such industries (4 clients from top 10 clients) is 486.92 million Baht in total or equal to 16.68 % of the outstanding clients for the year ended 31 December 2014.

Dependence on major clients in 2013 and 2014, the Company has outstanding debt of top 10 clients equal to 65.24% and 55.20% of outstanding debt of total debtor respectively. Most of such debtors are mostly from the retail industry. The Company has outstanding debt of the client in such industry (6 clients from top 10 clients) equal to 1,682.40 Million Baht, or equal to 53.32% of the outstanding debtors for the year ended 2013 and the amount of (5 clients from top 10 debtors) 1,196.58 Million Baht or 41.00 of the outstanding debt for the year ended 2014. The Company depends on one major debtor in the retail industry with outstanding debts of 39.48 % and 26.87% of outstanding debts of the debtors at the end of 2013 and 2014 respectively.

However, the Company has a policy to operate business by specifying more targeted clients of medium and small sizes. As regards the debtor, the Company has a policy to give precedence to the debtor with firm financial status and good payment record including cooperative support in acceptance of transfer of claim, which is an important business base, thus, there is still concentration of the debtor in the future.

5. Risk from fluctuation of interest rate

As the interest rate which is the main cost of the Company's business fluctuated according to the situation of interest rate in the market and affect fixing of interest rate to be applied with the client and capability to compete with competitors in the market. Thus, change of interest rate may affect the business operation of the Company. However, the Company use the measures to reduce such risk by sourcing the consistent source of loan and loan from transfer of claim in order that the Company can maintain average accumulate spread of interest rate pursuant to the Company's policy as well as analyzing interest rate change term of factoring debtor and deposit loan, and 1-3 month-term type. Moreover, the Company can adjust the interest rate called from debtor in case there is change of interest rate. This creates the Company's flexibility to adapt itself in case of interest rate fluctuation. Thus, the risk from interest rate fluctuation dose not significantly affect the Company's operation.

6. Risk from competitive

At present, there are approximately 15 factoring and similar business operators in Thailand. Each operator aims at different targeted clients. The competition slightly affects the spread of interest rate but results in expansion of credit, as it makes the business operators get to know and understand the factoring service and interested in adopting the service. The Company aims at domestic factoring service by focusing on the clients in small and medium industries which are suppliers of debtors in modern trade system and group of automobile components, in which the Company has expertise, namely, major mall group, supermarket, minimart, and manufacturer of automobile components etc. Most of debtors are cooperative to acknowledge the transfer of right to receive repayment and to examine the ground of obligation before buying the debt, which reduce risk of the Company. Such factors create prominent points for the Company's service. Moreover, the Company has close and good relationship with the clients and has sufficient information to give useful advice and recommendations to the client's business, as well as effective credit management, low operation cost. Thus, the Company is very outstanding for its competitiveness.

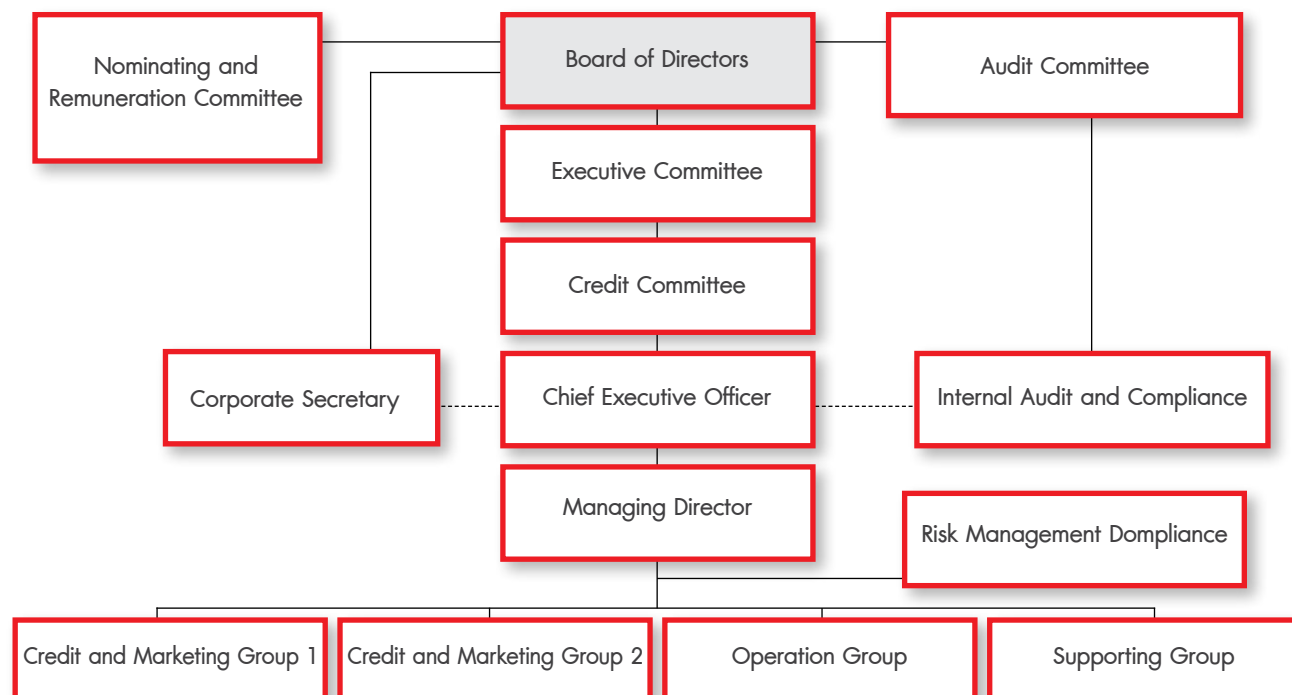
7. Risk of the Company having the majority shareholder holding more than 50% of shares

Due to the Company having its majority shareholder as AIRA Capital Public Company Limited holding the shares of 29,607,617 or 74.019 percentage of the paid up capital of the Company, and Summit Corporation Limited having the same majority shareholder as AIRA Capital Public Company Limited, i.e. Jurangkool family holding the shares of 1,166,800 or 2.917 persen of the paid up capital of the Company, resulting in their control of the the shareholders'd resolution in most significant matters such as appointment of the Board of Directors or request of any resolution that requires the majority vote from the shareholders' meeting, except in the event that the laws or the Company's regulations impose three-fourth votes from the shareholders' meeting. Thus, any other shareholder is unable to collect the vote to for balance of power withthe majority shareholders (Information on the list of shareholders from Thailand Securities Depository Company Limited as of 31 December 2014)

However, the Company has appointed 3 directors that are independent directors as well as audit directors. The Audit Committee are assigned to audit and consider any transaction that may lead to conflict of interest in accordance with laws and regulations stipulated by the Stock Exchange of Thailand and the Securities and Exchange Commission in order to ensure that such transaction is conducted rationally and with greatest benefit to the Company as well as to create transparency and accountability for the Company's administration.

Organization Chart

Organization Chart as of December 31, 2014



Approved by the Board of Directors No. 2/2556 dated May 3, 2013.

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 follows:

The Board of Directors

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

Name	Position					
	The Board of Directors	Audit Committee	Independent Director	The Nomination and Remuneration Committee	Executive Committee	Credit Committee
1. Mr. Sorasit Soontornkes *						
2. Mrs. Jantima Sirisaengtaksin						
3. Mrs. Ladavan Tanatanit						
4. Mrs.Naline Ngamsetthamas						
5. Mr.Wutthiphum Jurangkool						
6. Mrs.Yajai Pattanasukwasun *						
7. Mr. Poonsak Thiapairat						
8. Mr. Wiwat Kongkasai						
9. Mr. Kunakorn Makchaidee						
10. Mr.Visit Wongrumlap						

(Remark:* : Mr. Sorasit Soontornkes and Mrs.Yajai Pattanasukwasun Appointed as Board of director on August 14, 2014)

Miss Kittakarn Pakham: Secretary to the Board of Directors

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 Office 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 Officer (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, financial reporting, and financial auditing, institute efficient and effective internal control and internal audit systems.
- Supervise and remedy problems arising from conflicts of interest and connected transactions.
- Define 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.

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 five sign a document together with the Company's seal.

Audit Committee

The Audit Committee as of 31 December, 2014 consisted of 3 independent directors, each member being knowledgeable and experienced in reviewing financial statements, as follows:

Name	Position	Audit Committee	
		Total Meeting	Total Meeting (Times)
1. Mrs. Jantima Sirisaengtaksin	Chief of Audit Committee	6	6/6
2. Mrs. Yajai Pattanasukwasun*	Audit Committee	2	2/2
3. Mr. Poonsak Thiapairat	Audit Committee	6	5/6

(Remark: * : Mrs. Yajai Pattanasukwasun Appointed as Audit Committee on August 14, 2014)

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 financial 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 financial reports to ensure their accuracy and adequacy
2. To ensure that the internal audit and internal control system of the Company are in place appropriately and efficiently
3. To review that the operations comply with the regulations imposed by the Securities and Exchange Commission and the Securities Exchange in Thailand and other relevant business laws
4. To be responsible for the nomination of the company's auditor
5. To consider the accuracy of the disclosure of information on related party transactions or transactions where conflict of interest may occur to ensure that they were reasonably conducted in the best interests of the Company
6. To prepare the Audit Committee's report for publication in the annual report that must be signed by the Chief of Audit Committee
7. To provide other duties including the assignments from the Board of Director with the consent of the Audit Committee

However, The Audit Committee has responsibility directly to the Board of Director as well as the Board of Director still be responsible for any transaction of the Company to public.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee as of 31 December, 2014 consists of Chairman who is an independent director, as follows:

Name	Position	The Nomination and Remuneration Committee	
		Total Meeting	Total Meeting (Times)
1. Mrs.Yajai Pattanasukwasun*	Chief of Nomination and Remuneration Committee and independent director.	2	2/2
2. Mr. Poonsak Thiapairat	Nomination and Remuneration Committee and independent director.	5	4/5
3. Mrs.Naline Ngamsetthamas	Nomination and Remuneration Committee	5	4/5

(Remark:* : Mrs.Yajai Pattanasukwasun Appointed as Chief of Nomination and Remuneration Committee on August 14, 2014)

Miss Kittakarn Pakham 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 consider fair and reasonable compensation and fringe benefits on both monetary and non monetary of the Director and the Committee then propose to the Board of Director to consider and seek an approval from the Shareholder Meeting
6. To consider compensation criteria for Managing Director and the Assistant Managing Director and propose to the Board of Director for approval
7. To submit the operation report to the Board of Director as least once a year
8. To perform any tasks as assigned by the Board of Director
9. To arrange the meeting at least twice a year. Within the scopes of its meeting, it opens opportunities to invite the Management or Executive or officer or related person to attend meeting for clarification purpose or to submit relevant documents

Executive Committee

As of 31 December, 2014 the Executive Committee of the Company comprised of 6 members as follows:

Name	Position	Executive Committee	
		Total Meeting	Total Meeting (Times)
1. Mrs. Ladawan Tanatanit	Chief of Executive Committee	15	15/15
2. Mrs. Naline Ngamsetthamas	Executive Committee	15	11/15
3. Wutthiphum Jurangkool	Executive Committee	15	12/15
4. Mr. Wiwat Kongkasai	Executive Committee	15	15/15
5. Mrs. Napaporn Landy	Executive Committee	15	13/15
6. Mr. Samchai Benchapathomrong*	Executive Committee	7	7/7

(Remark: * Mr. Samchai Benchapathomrong Appointed as Executive Committee on August 14, 2014)

Miss Kittikarn Pakham: Secretary to the Executive Committee

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 financial 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 financial 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 conflicted 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.

Credit Committee

As of 31 December, 2014 the Credit Committee of the Company comprised of 5 members as follows:

Name	Position	Position	
		Total Meeting	Total Meeting
1. Mr. Visit Wongrumlap	Chief Credit Committee	16	16/16
2. Mr.Wiwat Kongkasai	Credit Committee	16	16/16
3. Mr. Kanokkit Navasiri	Credit Committee	16	16/16
4. Mrs.Pornpilai Burasai	Credit Committee	16	16/16
5. Mrs. Kongkeaw Piamduaytham*	Credit Committee	16	16/16

(Remark:* Mrs.Kongkeaw Piamduaytham Appointed as Credit Committee on November 11, 2014)

Mr. Kwanpong Pumsawang Secretary to the Credit Committee

Duties and responsibilities of theCredit Committee

1. Is authorized to approve loans jurisdiction of Directors.
2. Action by the Board of Directors.

Management

As of December 31, 2014 Management team comprised of 7 members as follows:

Name	Position
1. Mr. Kanokkit Navasiri	Managing Director and acting Chief Executive Officer
2. Mrs.Pornpilai Burasai	Assistant Managing Director - Credit and Marketing Group
3. Mr. Jirasak Arkawat	Assistant Managing Director - Operations Group
4. Mrs. Paisri Fakcharoenphol	Senior Vice President of Accounting and Finance Department
5. Mr. Somkiat Vachanasate	Senior Vice President of General Administrator Department
6. Miss. Somjai Amornchainoppakun	Senior Vice President of International Audit and Compliance
7. Mr.Permsak Poonperm	Head of Risk Management

Authority of the Chief Executive Officer

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.

Authority of the Managing Director

1. Plan and budget and action plans proposed Chief Executive Officer
2. Making the goals, policies and strategies of the company.
3. Assigned to various units Action plan
4. Be responsible for the performance of various departments. Accordance with the policies and strategies
5. Risk management and control results and evaluating performance.
6. Performance of duties as assigned by the Chief Executive Officer

Authority to approve expenses as follows:

(Currency: Baht)

	Approved Credit Limit (Baht/per Time)			
	Managing Director	Chief Executive officer	Executive Committee	Company's Board of Directors
General Expenses	100,000	200,000	1,000,000	Unlimit
Cost incurred due to legal contract	500,000	1,000,000	5,000,000	Unlimit
Asset Purchased	500,000	1,000,000	3,000,000	Unlimit
Expenses approved by the shareholders' meeting	According to the approved			

Nomination of Directors and Executives

On February 24, 2012 the Company has appointed the Nomination and Remuneration Committee for consideration and selection of qualified candidates will be selected to serve as directors and executives of the company. Which must be qualified under Section 68 of the Companies Act 2535 (as amended) and the Articles of Association . The selection will be carried out as follows.

• Nomination of Directors

Composition and nomination of directors for election, removal or vacation of their respective companies. Defined in the Articles of Association, which can be summarized as follows.

1. Board of Directors Consist of not less than 5 but not more than 15 members elected by the AGM. The Audit Committee is not less than 3 directors of not less than one-half of the directors must be resident in the Kingdom.

2. The Meeting, shareholders elected directors. And pursuant to the following.

(1) Shareholder has one share shall have one vote

(2) Each shareholder shall use all his votes in (1) to elect one person or several Directors But the share of the vote to any person not much.

(3) The person receiving the most votes by the order shall be elected. The number of directors to be elected or to be elected at that time. In the case of a person who has been elected in descending order of votes equal to the maximum number of guests or be elected at that time. The Chairman a casting vote.

3. The annual general meeting of shareholders at all times. The resignation of one-third (1/3) of the total membership at that time. If the number of directors is divided into three parts do not match .Then the number nearest to one- third. The directors to retire in the first year. And second years following the registration of the company. The lottery the following year, the directors longest in office shall retire from office director who retires. May have been selected to assume the position again.

4. In a resolution, the directors shall retire from office before the expiration of the term, a vote. Not less than three-fourths of the shareholders at the Meeting and entitled to vote. And shares amounting to not less than one-half of the shares held by the shareholders present at the meeting and entitled to vote.

The Company currently has a Board of Directors comprised of 10 directors on the Board, representing the largest shareholder with a total of five members, including Mrs. Naline Ngamsetthamas, Mr. Wutthipum Jurangkool, Mr.Visit Wongrumlap, Mrs.Ladavan Tanatanit and Mr.Wiwat Kongkasai.

- Nomination of Independent Directors and Audit Committee.

The Audit Committee must be a director of the company . Nominative and contains 3 independent directors of these you need to have at least one director who is knowledgeable. Understanding or experience in accounting or finance. And knowledgeable about the reason for the change of financial reporting. And have the training or knowledge to continually strengthen and consistently in matters related to the operation of the Audit Committee . And comment is free. And assigned to the Audit Committee for a term of office for a term of three years and must be fully qualified by the Securities and Exchange Commission. Including regulations and / or regulation of the Securities Exchange as follow:

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. The director who did not participate in the management of the company. Subsidiaries, affiliates, related companies or shareholders of the Company.
3. The director of no interest or interest, whether directly or indirectly, in the finance and administration of the company. Affiliates, associates or shareholders of the Company.
4. The director who is not a related person or close relative of management or major shareholders of the company.
5. The director is not appointed as a representative to safeguard interests of Directors. Shareholder or shareholders. Which is related to the major shareholders of the company.
6. Functional Comment or report the performance of duties assigned by the Board of Directors. Not under the control of management or major shareholders of the Company including related persons or close relatives of such persons.

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

- | | |
|--------------------------------|----------------------|
| 1. Mr. Sorasit Soontornkes | Independent Director |
| 2. Mrs.Jantima Sirisaengtaksin | Independent Director |
| 3. Mrs.Yajai Pattanasukwasun | Independent Director |
| 4. Mr. Poonsak Thiapairat | Independent Director |

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.

Corporate Secretary

Board of Directors has appointed Miss Kittikarn Pakham, as Corporate Secretary as since August 14, 2008 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 benefic 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.

Bord of Director



Mr. Sorasit Soontornkes
Chairman and Independent Director

1.



Mrs. Jantima Sirisaengtaksin
Independent Director
Chief of Audit Committee

2.



Mrs. Ladavan Tanatanit
Director,
Chief of Executive Committee

3.



Mrs. Yajai Pattanasukwasun
Independent Director,
Audit Committee,
Chief of Nomination and Remuneration
Committee

4.



Mr. Poonsak Thiapairat
Independent Director,
Audit Committee,
Nomination and Remuneration
Committee

5.



Mrs.Naline Ngamsetthamas

Director,
Executive Committee,
Nomination and Remuneration
Committee,

6.



Mr.Wutthiphum Jurangkool

Director,
Executive Committee

7.



Mr. Visit Vongruamlarp

Director,
Chief of Credit Committee

8.



Mr. Kunakorn Makchaidee

Director

9.



Mr. Wiwat Kongkasai

Director,
Executive Committee,

10.

Bord of Director

1. Name

Position

Age

Educational Qualifications

Training Program

Shareholding (As of December 30, 2014)

Family relationship with other directors -
and member of management

Work experience

August 2014 - Present

2011

2011

2010

Litigation history in 10 years.

Mr. Sorasit Soontornkes

Chairman and Independent Director

63

- Master of Business Economics, Thammasat University
- Master of Accountancy, Chulalongkorn University
- Bachelor of Accountancy, Chulalongkorn University
- Senior Executive Program, SASIN, Chulalongkorn University
- Executive Development Program (Wharton School) University of Pennsylvania, USA
- Advanced Army Academics Program (regular class 46), Army War College, 2001
- Certificate of the Capital Market Leadership Program Class 8 from Capital Market Academy (CMA)
- Thammasat Leadership Program (TLP) no.2
- Director Certification Program (DCP)

0 share or 0.00%

None

- Chairman and Independent Director, AIRA Factoring Plc.
- Deputy Governor, Bank of Thailand (BOT)
- Assistant Governor, Bank of Thailand (BOT)
- Director and Audit Committee, Export-Import Bank of Thailand
- Director, Deposit Protection Agency

None

2. Name

Position

Age

Educational Qualifications

Training Program

Shareholding (As of December 30, 2014)

Family relationship with other directors -
and member of management

Work experience

2011 - Present

2007

2004

Mrs.Jantima Sirisaengtaksin

Director, Chief of Audit Committee and Independent Director

65

- BBA (Accounting), Chulalongkorn University
- MBA (Accounting), Chulalongkorn University
- The Management Development Program, SASIN, Chulalongkorn University
- Advanced Management Program, Harvard Business School, USA
- Senior Executive Program Course 1 no.29, Office of the Civil Service Commission
- National Defense College Class no.43

0 share or 0.00%

None

- Director, Chief of Audit Committee and Independent Director, AIRA factoring Plc.
- Vice-Permanent Secretary, Ministry of Finance
- 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 Office, the Revenue Department
1999	- Director - Tax Management Center - Large Business, the Revenue Department
1996	- Computer Technical Officer 9, Bureau of Information Technology, the Revenue Department
1993	- Director (Computer Technical Officer 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 Officer 7), Tax Revenue Declaration Division, the Revenue Department

Litigation history in 10 years.

None

3. Name

Mrs.Ladavan Tanatanit

Position

Director, Chief of Executive Committee and Authorized Director

Age

70

Educational Qualifications

- MBA (Finance and Banking), Eastern New Mexico University, USA
- Bachelor of Business Administration (Finance), Faculty of Commerce and Accountancy, Thammasat University

Training Program

- Director Certification Program (DCP) no.96, Thai Institute of Directors
- National Defense Program'6 2008, National Defense College of Thailand
- Diploma, National Defence College, The Joint State - Private Sector Course Class no.9
- Certificate of the Capital Market Leadership Program Class no.6/2008 from Capital Market Academy (CMA)
- Advanced Bank Management Program (ABMP), Asian Institute of Management, Philippines
- Politics and Governance in Democratic Systems for Executives' 13, King Prajadhipok's Institute.

Shareholding (As of December 30, 2014)

0 share or 0.00%

Family relationship with other directors - and member of management

None

Work experience

2011 - Present

Director, Chief of Executive Committee and Authorized Director, AIRA factoring Plc.

1998 - 2005

Vice - President Real Estate line, Bangkok Bank PLC.

Present

- Director, Executive Director, Small and Medium Enterprise Development Bank of Thailand

Present

- Committee Member of The Consumer Protection Board, The Prime Minister's Office Board of National Innovation, National Innovation Agency, the Ministry of Science and Technology

Present

Central Land Allocation Committee, Department of Lands, Ministry of Interior

Present

Director, Office of the Consumer Protection Board, The Prime Minister's Office

Litigation history in 10 years.

None

4. Name	Mrs.Nalinee Ngamsetthamas
Position	Director, Nomination and Remuneration Committee, Executive Committee and Authorized Director
Age	56
Educational Qualifications	<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	<ul style="list-style-type: none"> - Certificate of the Capital Market Leadership Program Class 8 from Capital Market Academy (CMA) - Director Accreditation Program (DAP) 61/ 2007, Thai Institute of Director Association (IOD) - High Level Security Management Program no.3, The National Defense College - Thammasat Leadership Program no.3, Thammasat University - Leadership Succession Program no.4, Institute of Research and Development for Public Enterprises
Shareholding (As of December 30, 2014)	0 share or 0.00%
Family relationship with other directors - and member of management	None
Work experience	
2011 - Present	- Director, Nomination and Remuneration Committee, Executive Committee and Authorized Director, AIRA factoring Plc.
2014 - Present	- Director, Authorized Director and Chairman of Executive Committee AIRA & AIFUL Public Company Limited.
2012 - Present	- Director, Authorized Director and Executive Director, AIRA International Advisory (Singapore) Pte.Ltd.
2010 - Present	- Director, Authorized Director and Chief Executive Officer AIRA Capital Public Company Limited.
2007 - Present	- Director, Authorized Director and Chairman of Executive Committee, AIRA Securities Plc.
1999 - Present	- Director, Authorized Director and Chairman of AIRA Advisory Co.,Ltd.
Litigation history in 10 years.	None

5. Name	Mr. Kunakorn Makchaidee
Position	Director
Age	60
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

Shareholding (As of December 30, 2014)	- Certificate of Attendance of the Chairman 2000 Class 5/2001
Family relationship with other directors - and member of management	- Certificate of Attendance of the Audit Committee Program Class 17/2007
Work experience	500,000 share or 1.25%
2004 - Present	None
2002 - Present	- Director, AIRA factoring Plc.
2001 - 5/8/2009	- Director, Chao Khun Agro Products Co., Ltd.
1992 - Present	- Independent Director and Audit Committee, Bangkok Rance Plc.
Litigation history in 10 years.	- Director, Business Venture Promotion Co., Ltd.
	None
6. Name	Mr. Poonsak Thiapairat
Position	Director, Audit Committee, Nomination and Remuneration Committee and Independent Director
Age	51
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, 2014)	286,000 shares or 0.72%
Family relationship with other directors - and member of management	None
Work experience	
2004 - Present	- Director, Audit Committee, Chief of Nomination and Remuneration Committee and Independent Director, AIRA factoring Plc.
2002 - Present	- Director, Eternity Group
Litigation history in 10 years.	None
7. Name	Mrs. Yajai Pattanasukwasun
Position	Director, Audit Committee, Chief of Nomination and Remuneration Committee and Independent Director
Age	56
Educational Qualifications	- MPA., Chulalongkorn University
	- LL.B., Sukhothai Thammathirat Open University
	- B.A. in Accounting, Thammasat University
	- Graduate Diploma Program in Public Law, Thammasat University
Training Program	- Audit Committee Program (ACP) No. 2/2005
	- Director Certification Program (DCP) No. 43/2004
Shareholding (As of December 30, 2014)	0 share or 0.00%
Family relationship with other directors - and member of management	None

Work experience	
2014 – Present	- Director, Audit Committee, Chief of Nomination and Remuneration Committee and Independent Director, AIRA factoring Plc.
2014 – Present	- The Government Pharmaceutical Organization Director and Executive Director Member of Corporate Governance Committee Director of Remuneration Committee Director of Legal matter Committee
2012-2014	- MCOT Public Company Limited. Director and Chairman of Risk Management Committee Member of Management Affairs Review Committee Member of Corporate Governance Committee Director of Real estate development monitoring Committee
Litigation history in 10 years.	None

8. Name

Position	Mr. Wiwat Kongkasai
Age	Director, Executive Committee, Credit Committee and Authorized Director 59
Educational Qualifications	- BBA (Accounting) Chulalongkorn University - MBA, NIDA
Training Program	- Directors Accreditation Program (DAP 2004) - Directors Certification Program (DCP 118/2009)
Shareholding (As of December 30, 2014)	1,600,000 shares or 4.00%
Family relationship with other directors – and member of management	None
Work experience	
1996 – Present	Director, Executive Committee, Authorized Director, Credit committee, AIRA factoring Plc.
Litigation history in 10 years.	None

9. Name

Position	Mr. Wutthiphum Jurangkool
Age	Director , Executive Committee 36
Educational Qualifications	- Bachelor of Laws, Ramkhamhaeng University - Executive MBA, Sasin, Chulalongkorn University
Training Program	- Directors Certification Program (DCP 148/2011) - Finance for Director (FFD 12/2011)
Shareholding (As of December 30, 2014)	0 share or 0.00%
Family relationship with other directors – and member of management	None
2011 – Present	Director , Executive Committee
2002 – Present	Director and Director of Procurement Department of - SUMMIT Auto Body Industry Co.,Ltd. - SUMMIT Auto Body Industry Co.,Ltd. (Ayutthaya branch) - SUMMIT Laemchabang Auto Body Work Co.,Ltd.

2014 - Present	<ul style="list-style-type: none"> - 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. - Director, Authorized Director AIRA & AIFUL Plc.
Litigation history in 10 years.	None
10. Name	Mr.Visit Vongrumlarp
Position	Director and Chief Credit Committee
Age	66
Nationality	Thai
Educational Qualifications	Bachelor of Accounting, Thammasat University
Training Program	<ul style="list-style-type: none"> - Directors Accreditation Program (DAP 14/2004) - Directors Certification Program (DCP44/2004)
Shareholding (As of December 30, 2014)	0 share or 0.00%
Family relationship with other directors - and member of management	None
Work experience	
2011 - Present	<ul style="list-style-type: none"> - Director, Chief of Credit Committee, AIRA factoring Plc.
Present	<ul style="list-style-type: none"> - Director, AIRA Securities Plc.
Present	<ul style="list-style-type: none"> - 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
Litigation history in 10 years.	None

11. Name	Mrs.Napaporn Landy
Position	Executive Committee
Age	64
Nationality	Thai
Educational Qualifications	MBA Finance University Of Pennsylvania
Training Program	<ul style="list-style-type: none"> - Directors Accreditation Program (DAP 2001) - Directors Certification Program (ACP 2012) - Charter Director 2011
Shareholding (As of December 30,2014)	0 share or 0.00%
Family relationship with other directors - and member of management	None
Work experience	
2013 - Present	<ul style="list-style-type: none"> - Executive Committee, AIRA factoring Plc.
2009 - 2012	<ul style="list-style-type: none"> - The Managing Director, TSFC Securities Public Company Limited

2008 – 2009	- Chief of Executive Committee and Director, Primavest Asset Management Company Limited
2004 – 2007	- Director and manager, The Agricultural Future Exchange of Thailand
Litigation history in 10 years.	None

12. Name

Position	Mr. Samchai Benchapathomrong Executive Committee
Age	56
Nationality	Thai
Educational Qualifications	Bachelor of Accounting, Thammasat University
Training Program	None
Shareholding (As of December 30,2014)	0 share or 0.00%
Family relationship with other directors – and member of management	None
Work experience	
August 2014 – Present	- Executive Committee, AIRA factoring Plc.
2004 –2013	- Executive Vice President Corporate Banking, CIMB (Thai) Bank.
2001 – 2007	- Senior Vice President of Business Development, Bank Thai Plc.
Litigation history in 10 years.	None

13. Name

Position	Mrs.Kongkeaw Piamduaytham Credit Committee
Age	63
Nationality	Thai
Educational Qualifications	- Bachelor of Economic, Chaing Mai University - Bachelor of Laws, Ramkhamhaeng University - Master of Business Administration (Finance) Washington State University
Training Program	Capital Market Academy
Shareholding (As of December 30,2014)	0 share or 0.00%
Family relationship with other directors – and member of management	None
Work experience	
August 2014 – Present	- Credit Committee, AIRA factoring Plc.
2012 – Present	- Chairman of Audit Committee, Muangthai Leasing Plc.
2011- Present	- Chairman of Audit Committee, PAPOP co.,Ltd..
2010 – Present	- Director, Authorized Director and Chairman of Good Governance Committee, AIRA Capital Plc.
2009-Present	- Advisor, AIRA Securities Plc.
2009-2009	- Assistant Managing Director of Post Trade Service, The Stock Exchange of Thailand.
2004-2009	- Managing Director, Thailand Clearing House Co.,Ltd.
2000-2009	- Managing Director, Thai NVDR Co.,Ltd.
1996-2009	- Managing Director, Thai Trust Fund Management Co.,Ltd.
Litigation history in 10 years.	None

Management

1. Name

Position

Age

Educational Qualifications

Training Program

Shareholding (As of December 30, 2014)

Family relationship with other directors -
and member of management

Work experience

Present

2005 - 2011

2002 - 2004

Litigation history in 10 years.

Mr. Kanokkit Navasiri

Managing Director and acting Chief Executive Officer

55

MBA, City University, Seattle, Washington, U.S.A.

- Executive Development Program (EDP 4/2009)
- Director Certification Program (DCP) 199/2015
- Thammasat Leadership Program (TLP) no.4

0 share or 0.00%

None

Managing Director and acting Chief Executive Officer, AIRA factoring Plc.

- Assistant Managing Director - Credit and Marketing Department AIRA factoring Plc.
- Vice President - Credit and Marketing Department AIRA factoring Plc.

None

2. Name

Position

Age

Educational Qualifications

Training Program

Shareholding (As of December 30, 2014)

Family relationship with other directors -
and member of management

Work experience

2011 - Present

2001 - 2011

Litigation history in 10 years.

Mrs.Pornpilai Burasai

Assistant Managing Director - Credit and Marketing Department

51

MBA, NIDA

- Executive Development Program (EDP 9/2011)

0 share or 0.00%

None

- Assistant Managing Director - Credit and Marketing Department, AIRA factoring Plc.

- First Vice President Corporate Client Solution, CIMB (Thai) Bank.

None

3. Name

Position

Age

Educational Qualifications

Training Program

Shareholding (As of December 30, 2014)

Family relationship with other directors -
and member of management

Work experience

2005 - Present

1999 - 2004

Litigation history in 10 years.

Mr. Jirasak Arkawat

Assistant Managing Director - Operations Department

56

BBA (Accounting) Kasetsart University

- Executive Development Program (EDP 2012)

92,600 shares or 0.23%

None

- Assistant Managing Director - Operations Department, AIRA factoring Plc.

- Vice President - Operations Department, AIRA factoring Plc.

None

4. Name

Position

Age

Educational Qualifications

Training Program

Shareholding (As of December 30, 2014)

Family relationship with other directors -
and member of management

Work experience

2001 - Present

Litigation history in 10 years.

Mrs. Paisri Fakcharoenphol

Senior Vice President of Accounting and Finance Dept.

50

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

-

22,500 shares or 0.06%

None

Senior Vice President of Accounting and Finance Dept, AIRA factoring Plc.

None

5. Name

Position

Age

Educational Qualifications

Training Program

Shareholding (As of December 30, 2014)

Family relationship with other directors -
and member of management

Work experience

2006 - Present

2003 - 2006

Litigation history in 10 years.

Mr. Somkiat Vachanasate

Senior Vice President of General Administration Dept.

45

- BBA (Management) Ramkhamhaeng University

- Diploma of Science Bansomdej chaopraya Rajabhat University

-

0 share or 0.00%

None

Senior Vice President of General Administration Dept, AIRA factoring Plc

IT Manager, Roumrudee Estate Co., Ltd..

None

6. Name

Position

Age

Educational Qualifications

Training Program

Shareholding (As of December 30, 2014)

Family relationship with other directors -
and member of management

Work experience

2006 - Present

2004 - 2006

2001 - 2004

Litigation history in 10 years.

Miss. Somjai Amornchainoppakun

Senior Vice President of Internal Audit and Compliance

42

- Master of Business Administration Program in Managerial Accounting Graduate
School of Commerce, Burapha University

- BBA (Accounting) Siam University

None

0 share or 0.00%

None

Senior Vice President of Internal Audit and Compliance, AIRA factoring Plc.

Internal Audit and Compliance Manager, Advance Finance Plc.

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

None

7. Name

Position

Age

Educational Qualifications

Training Program

Shareholding (As of December 30, 2014)

Family relationship with other directors -
and member of management

Work experience

2012 - Present

2009 - 2012

2008 - 2009

Litigation history in 10 years.

Mr.Perm Sak Poonperm

Head of Risk Management

40

- Mini MBA, Chulalongkorn University
- MBA (Finance), Mahanakorn University of Technology
- Bachelor Degree in Economics, Thammasat University

None

0 share or 0.00%

None

Head of Risk Management Office, AIRA factoring Plc

Relationship Manager, CIMB Thai Bank Plc.

Credit Analyst, CIMB Thai Bank Plc.

None

8.Name

Position

Age

Educational Qualifications

Shareholding (As of December 30,2014)

Family relationship with other directors -
and member of management

Work experience

2008 - Present

Litigation history in 10 years.

Miss.Kittikarn Pakham

Corporate Secretary

35

- Bachelor of Laws, Ramkhamhaeng University

0 share or 0.00%

None

Corporate Secretary, AIRA factoring Plc.

None

Remuneration of Directors and Executives

Remuneration of Directors

On February 24, 2013, the Company has appointed the Nomination and Remuneration Committee in order to consider and determine the director's remuneration policy with transparency within appropriated level compared to benchmark of industry. The remuneration shall be passed the consideration from the Board of Director meeting and the shareholder meeting. The format of remuneration of director shall be paid in form of attendance fee and bonus.

Director Remuneration As at December 31, 2013 and 2014

(Unit: Baht)

Name	Position	Meeting Expenses										Total Remuneration 2014	Total Remuneration 2013
		Board of Directors 2014	Board of Directors 2013	Audit Committee 2014	Audit Committee 2013	Executive Committee 2014	Executive Committee 2013	Nomination and Remuneration Committee 2014	Nomination and Remuneration Committee 2013	Credit Committee 2014	Credit Committee 2013	Gratuities 2014	Gratuities 2013
1. Mr. Chatahaval Bhandarp*	Chairman and Independent Director	25,000	150,000	-	-	-	-	-	-	-	-	-	180,000
2. Mr. Kundorn Makchaidee	Director	105,000	90,000	-	-	-	-	-	-	-	-	-	105,000
3. Mr. Suwat Lauparadorachai*	Independent Director / Audit Committee / Chief Nomination and Remuneration Committee	60,000	75,000	15,000	60,000	-	-	15,000	30,000	-	-	-	105,000
4. Mr. Poonsak Thiapairat	Independent Director / Audit Committee and Nomination and Remuneration Committee	105,000	75,000	75,000	75,000	-	-	40,000	30,000	-	-	-	105,000
5. Mr. Wiwat Kongkasai **	Director, Executive Committee, Authorized Director, Credit committee	75,000	37,500	-	-	80,000	-	-	-	80,000	-	-	105,000
6. Mrs.Ladavan Tanatanit	Director / Chief of Executive Committee	90,000	75,000	-	-	225,000	180,000	-	-	-	-	-	140,000
7. Mrs.Jantima Sitsaengtaksin	Independent Director and Chief of Audit Committee	15,000	75,000	150,000	150,000	-	-	-	-	-	-	-	130,000
8. Mrs.Nallinee Ngamsetthamas ***	Director / Executive Committee and Nomination and Remuneration Committee	90,000	75,000	-	-	-	-	40,000	30,000	-	-	-	105,000
9. Mr.Wutthiphum Jurangkool	Director and Executive Committee	105,000	60,000	-	-	120,000	90,000	-	-	-	-	-	105,000

(Unit: Baht)

Name	Position	Meeting Expenses								Gratuities		Total Remuneration	
		Board of Directors		Audit Committee		Executive Committee		Nomination and Remuneration Committee		Credit Committee		2014	2013
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
10. Mr. Visit Wongrumlap	Director and Advisor of Credit committee	105,000	75,000	-	-	-	-	-	-	200,000	90,000	305,000	270,000
11. Mrs. Napaporn Landy****	Executive Committee	-	-	-	-	130,000	40,000	-	-	-	-	130,000	40,000
12. Mr. Sanchai Benchapathomong*****	Executive Committee	-	-	-	-	70,000	-	-	-	-	-	70,000	-
13. Mr. Sorasit Soontornkes*****	Chairman and Independent Director	50,000	-	-	-	-	-	-	-	-	-	50,000	-
14. Mrs. Vajai Pattanasukwasun*****	Independent Director / Audit Committee/	30,000	-	30,000	-	-	-	30,000	-	-	-	90,000	-
15. Mrs. Kongkeaw Piamduaytham*****	Chief Nomination and Remuneration Committee	-	-	-	-	-	-	-	-	20,000	-	20,000	-
Total												2,175,000	2,747,500

Remark: *Mr. Wiwat Kongkasai Receive the meeting allowance half of board. Not be paid and the Executive Committee. As approved at the AGM.

** Mrs. Nalinsee Ngamsetthamas request not obtain Remuneration of Executive Directors. As a representative of a major shareholder.

**** Mrs. Napaporn Landy was appointed as executive director on August 7, 2556.

***** Appointed as Credit Committee on August 14., 2014

***** Appointed as Credit Committee on November 11, 2014

Executive Remuneration

Company's executive remuneration policy is based on principles, and policies of the Board of Directors. Which is linked to the performance of the Company and the performance of each executive. It is in the form of salaries, bonuses and more.

Executive Remuneration As at December 31, 2014 and 2013

Type of Remuneration	(Unit: Baht)	
	2014	2013
Salary And Bonus	13,937,871.10	18,522,313.75
Provident Fund	1,049,488.71	1,169,791.75
Welfare-other	1,329,546	1,242,557
Total	16,316,905.81	20,934,662.50
Number of Executive	8	8

Human Resource

As of December 31, 2014. The Company had a total of 50 people by the year 2014, the Company paid a total remuneration to employees baht 21,322,394.55, which includes salary, overtime compensation income support. Special bonus money Social Security and provident fund contributions etc. The company also plans to prepare the workforce to meet the business operation. Employees divided along party lines as following.

Department	Number of Full-time officer		
	2014	2013	2012
1. Credit and Marketing Department	13	10	14
2. Operation Department	19	19	14
3. General Administration Department	7	9	7
4. Accounting and Finance Department	7	6	6
5. Audit and Compliance	1	1	1
6. Risk Department	3	2	-
รวม	50	47	42

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)	(Unit: Baht)		
	2014	2013	2012
Number of officer	50	47	42
- Salary and Bonus	19,070,322.42	18,714,688.02	16,240,612.79
- Welfare-other	2,252,072.13	4,347,036.57	4,511,399.69
รวม	21,322,394.55	23,061,724.59	20,752,012.48

Human Resources Development Policy

The Human Resources Development Policy and Human Resources Administration Procedures have been linked up with the Company's 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 2014 the Company has several continuous development programs for every level of employees to develop their capability.

- Thammasat Leadership Program, 4th Batch
- Director Certification Program (DCP) of Thai Institute of Directors, 199/2558
- Batch Cash Flow Management and Analysis Program of NYC Management Co., Ltd.
- Summarization of Accounting Standard and Financial Report Standard etc.

Besides, The Company also promoted the employee who performs excellent potential corresponded to career developing plan. By year 2014 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.

Good Corporate Governance

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 2014 the Company has been assessed the Corporate Governance from Thai Institute of Directors (IOD) as Rating 3 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:

Anti-Corruption

The Company's Board of Directors are determined to develop the organization to grow with sustainability, transparency, good governance and social responsibility by which the Company, on 9 March 2015, declared its intention to join the Collective Action Coalition of Thai private sectors for the purpose of anti-corruption. With this coalition, the Company will cooperate with public sectors, civil society, mass media and international organization to create a clear business standard according to virtue and morality and to carry on the business with anti-corruption principles in every form.

Action Plan in 2015:

1.1 To provide risk evaluation related to anti-corruption in the Company, including to bring anti-corruption policy and compliance policy in action as well as to provide a manual/guideline to conduct business for executives and staffs.

1.2 To create and announce anti-corruption policy

1.3 To communicate with the executives and staffs to understand the reasons and practice with regard to prevention on every form of bribery

In addition, the Company has applied to the principle of corporate governance covering 5 sections, namely rights of shareholders, Equitable Treatment of the shareholders, Role of Stakeholders, disclosure and transparency, and the Board of Director's liability with the contents contained as follows:

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 confidence 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 2012 the Company has called the Annual General Meeting on April 28, 2014 at the at Budsabar room, Mandarin Hotel, Phatumwan, Bangkok. In the meetings the directors and management, including the auditor attendees simultaneously. 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 agenda 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 8.30 a.m. which is 1.30 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 2014. The meeting is set at 10.00 a.m., starting with the registration at 8.30 a.m. and the meeting will end at 11.10 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 2014, the Company has proposed the time for the shareholders to propose the agenda, list of directors and questions in advance between November 19th, 2013 to January 31th, 2014 to let the directors have times to consider.

However, in 2014, no shareholders, any shareholder nominations and agenda to participate in the meeting in any way.

(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 statement s 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 proficiency 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 qualification,

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 Office. 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) 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 02-657-6222
- Company's website : www.airafactoring.co.th
- Sending via post or direct sending to Company's secretary AIRA Factoring Public Company Limited

No. 319 Chamchuri Square, 20 Floors, Phayathai Road,
Pathumwan Sub-District, Pathumwan District,
Bangkok 10330

Any queries or comments or complaints will be forwarded to the related department for correction and improvement. In year 2014 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 financial and non-financial information in both Thai and English. We have channeled our information disclosures, including our 56-1 form, 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 benefit 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. The Board of Directors' Liability

The Company values the performance and liability of the Board of Directors in order to maintain the shareholders and stakeholders' interests, e.g. determining business strategies, considering and auditing the operation to be conducted transparently through the Sub-Board of Directors' structures (For details, please consult the Organization Chart of the Company).

6. Monitoring of internal information

The Company monitors the use of internal information according to the corporate governance principle. The said mechanism is set out in writing i.e. in the business code of conduct of the director, the executive, and the employee, as well as manual on role and responsibility of director, executive, and employee at the time she/he join the Company. The summaries of said monitoring mechanism are summarized as follows:

1. The Company establishes that director, executive, and employee shall acknowledge, by signing the acknowledgment form, the relating notification of the Securities and Exchange Commission (SEC) which specify that the director and the executive, has the duty to report change of securities possession to the SEC according to section 59 of the Securities and Exchange Act B.E. 2535 within 3 days from the date of change in possession of securities and inform he Company Secretary in order to record such change and to summarize the number of securities of each director and executive to present to the board of director in the following meeting. In addition, the Company informs its directors, executives, and employees of penalties in case there is a violation of such laws or regulations.
2. The Company has rules to prohibit the disclosure of financial statement information, or other information which will have an impact to the price of Company's securities to any third party or any non-related person, to prohibit the sale and purchase of Company securities in the period of 1 months before the publish of the financial statement or any other information which has an impact to the Company, as well as not to sale or purchase the company's securities until the lapse of 24 hours from the time of disclosure of all such information to the public. The violation of such rules are violation of Company's discipline, if any director, executive, or employee who has attained the inside information of the Company violate the said rules, he/she will be punished by warning, reduce the salary, or

suspended from the work without pay, or terminate the employment.

The said practice is approved by the Company's directors.

7. Remuneration of the auditor.

- The remuneration of the auditors (Audit Fee) for EY Office Limited (Formerly known as "Erns & Young Office Limited") in fiscal year 2014, the amount to 830,000 baht excluding other charges.

- The remuneration of the auditors (Audit Fee) for EY Office Limited (Formerly known as "Erns & Young Office Limited") in fiscal year 2013, the amount to 820,000 baht excluding other charges.

- The remuneration of the auditors (Audit Fee) for EY Office Limited (Formerly known as "Erns & Young Office Limited") in fiscal year 2012, the amount to 800,000 baht excluding other charges.

8. Other practice relating to corporate governance principle

- The meeting of the Board of Director

Directors meeting are held regularly. Under the Company's articles of association, the meeting of shareholders must be held at least 1 time in 3 months and the extraordinary meeting shall be held additionally as required. Notice of the Board of Directors meeting at least 7 days before the meeting date except in case of urgency to protect the right benefit of the Company. In every meeting, the agenda will be set out clearly and supporting documents of each agendas will be provided to the member of the board of directors sufficiently in order that the board member have sufficient time to study each matter before attending the meeting. In the meeting, each board member can propose an agenda, discuss and express his /her opinion openly. In addition, high-level executive are allowed to attend the meeting to answer any questions raised by the board of director. The Chairman of the board of director will gather all opinions and conclusions from the meeting. The minutes of the board of director will be created in writing after the meeting and will be filed after approved by the meeting for the audit/examination by the director or any interested person. In this regard, the attendance of each board member in 2014 and 2013 are as follows:

Name	Attend / Total Meeting (Times)									
	Board of Directors		Audit Committee		Executive Committee		Nomination and Remuneration Committee		Credit Committee	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
1. Mr. Chatahaval Bhanalarp ¹	1/7	6/6	-	-	-	-	-	-	-	-
2. Mr. Sorasit Soontornkes ²	2/2	-	-	-	-	-	-	-	-	-
3. Mr. Kunakorn Makchaidee	7/7	6/6	-	-	-	-	-	-	-	-
4. Mr. Suwat Lauparadorachai ¹	4/7	5/6	1/6	4/7	-	-	1/5	2/3	-	-
5. Mrs.Yajai Pattanasukwasun ²	2/2	-	2/2	-	-	-	2/2	-	-	-
6. Mr. Poonsak Thiapairat	7/7	5/6	5/6	6/7	-	-	4/5	3/3	-	-
7. Mr. Wiwat Kongkasai	7/7	6/6	-	-	15/15	12/12	-	-	16/16	18/18
8. Mrs.Jantima Sirisaengtaksin	1/7	4/6	6/6	6/7	-	-	-	-	-	-
9. Mrs. Ladawan Tanatanit	6/7	5/6	-	-	15/15	12/12	-	-	-	-
10. Mrs. Nalineee Ngamsettam	6/7	5/6	-	-	11/15	10/12	4/5	3/3	-	-
11. Wutthiphum Jurangkool	7/7	4/6	-	-	12/15	9/12	-	-	-	-
12. Mr.Visit Wongrumlap	7/7	5/6	-	-	-	-	-	-	16/16	18/18
13. Mrs.Napaporn Landy	-	-	-	-	13/15	3/12	-	-	-	-
14. Mr.Samchai Benchapathomrong ³	-	-	-	-	7/7	-	-	-	-	-
15. Mrs.Kongkeaw Piamduaytham ⁴	-	-	-	-	-	-	-	-	16/16	-

Remark ¹ : resignation as Board of Director on August 12, 2014

Remark ² : Appointed as Board of Director on August 14, 2014

Appointed ³ : as Executive Committee on August 14, 2014

Appointed ⁴ : as credit Committee on November, 2014

Corporate Social Responsibilities: CSR



● **Community and social development** The Company has a policy to run business with social responsibility with a will to use best and continuing effort to enhance the social quality, to comply with rules, regulations, criteria and ethic, to respect all other parties with integrity and equitability. To encourage the said policy, in 2014, the Company continue to run business and keep developing the society by the arrangement of a portion of budget from the company income for activities in this aspect though a project or donation to a charity organizations or foundations etc.



In 2014, the Company has arranged activity to encourage the participation of Company's staffs in sharing to society. The activity was arranged by fund raising and stuff donations to give students of Samakkee Wittaya School in Singhburi Province, Thailand free lunch. The said activity has been well cooperated by the Management and the Company's staffs.



CSR plan for 2015

The Company will continue to encourage the staff's participation in happiness sharing to community and society, by focusing on public interest activities and merit making which will promote social and moral traditions of the local community. To improve the quality of life and social sustainability.

Internal Control and Risk Management

The Company realized and stressed the important of internal control system because the good internal control shall make system work properly, transparently, being accountable and prevent against damage that may be occurred. The Company then developed the internal control system to be efficiency and effectiveness continuously. The Board of Director appointed the Audit Committee consisting of the three independent directors. All three members are knowledgeable, have experiences in verifying the accuracy of financial statement and complete qualifications following by the Securities and Exchange Act as well as the notice and/or the regulation of the Stock Exchange of Thailand

The Board of Director meeting No.1/2015 was held on February 25, 2015. Three of Audit Committee also attended this meeting. The meeting assessed the sufficiency of the Company's internal control system in several aspects such as internal control system in respect of organization, risk assessment, management operation control, information system, data communication and follow-up process. After taking into a consideration, the meeting deemed that the Company has adequate and appropriate internal control systems that make the operation and management efficient and transparent.

The Audit Committee assigned the internal audit and compliance department which is independent form the management to perform any audit task within organization, to have a clear approach in working according to all the regulations which are relevant to the Company's business, to act as the secretary of the Audit Committee in order to support any activities of the Audit Committee as assigned by the Board of Director as well as to represent as the adviser to give any beneficial suggestion.

On August 7, 2006, the Audit Committee has appointed Miss Somjai Amornchainoppakun as the Head of the internal audit and compliance department since July 14, 2006 due to her internal audit experiences and well understanding of internal operations. Nevertheless, the consideration and approval of appointment or removal of rotation change position or termination of the Head of the internal audit and compliance department shall be proposed and approved by the Audit Committee.

Connected Transactions (if any)

During the yearend of 2012 and in 2013 the Company has the connected transactions which are strictly adhere to and abide by the related laws and regulations with reasons and appropriate condition in order for all shareholders and stakeholders to be taken care of benefits with fairness and equality under the Company's good corporate governance policy. The connected transactions are treated on the same basis as the Company does with the external parties in order to prevent any conflict of interest as manipulated in the regulations of the Securities Exchange of Thailand.

Unit: Million Baht

Individual / Juristic Person Which may be in Conflict	Relationship	Transaction Type	Transaction Value		Net Balance as at 31 Dec. 2014	Audit Committee's opinion
			2013	2014		
AIRA Securities Public Company Limited	AIRA Securities Public Company Limited is a subsidiary of AIRA Capital Public Company, the same parent company as the Company. AIRA Capital Public Company Limited holds 74.019% of total shares of AIRA Factoring Public Company Limited and 100% of total shares of AIRA Securities Public Company Limited	Credit Line 800 millions Baht and approved for credit limit increase form 800 millions Baht to 1,200 millions Baht which was approved by the Annual General Shareholder meeting on April 28, 2014.	2,204.83	2,183.56	1,195.75	Such connected transaction is a beneficial transaction for the Company by enhancing the financial liquidity of the Company. As for the interest rate, it is the same rate as the Company has with other financial institutions. Reason and necessity of the transaction is to manage the liquidity of the Company.
		Interests are paid to connected persons as follows: - On 11 February 2013, the Company issued bill of exchange (B/E) No. 1/2013 with the value of 500 million baht and interest rate of 3.65% per annum. The maturity date is within 58 days which will be on 10 April 2013.	2.93			
		- On 10 April 2013, the Company issued bill of exchange (B/E) No. 2/2013 with the value of 500 million baht and the interest rate of 3.85 % per annum. The maturity date is within 92 days which will be on 11 July 2013.	4.75			
		- On 6 June 2013, the Company issued bill of exchange (B/E) No. 3/2013 with the value of 285 million baht and the B/E No. 4/2013 with the value of 15 million baht. The interest rate is 3.60 % per annum. The maturity date is within 56 days which will be on 1 August 2013.	1.65			
		- On 11 July 2013, the Company issued bill of exchange (B/E) No. 5/2013 with the value of 300 million baht and the interest rate of 3.60 % per annum. The maturity date is within 62 days which will be on 11 September 2013.	1.82			
		- On 11 September 2013, the Company issued bill of exchange (B/E) No. 6/2013 with the value of 200 million baht and the interest rate of 3.70 % per annum. The maturity date is within 114 days which will be on 3 January 2014.	2.29			
		- On 18 November 2013, the Company issued bill of exchange (B/E) No. 7/2013 with the value of 300 million baht and the interest rate of 3.60 % per annum. The maturity date is within 53 days which will be on 3 January 2014.	1.56			

Individual / Juristic Person Which may be in Conflict	Relationship	Transaction Type	Transaction Value		Net Balance as at 31 Dec. 2014	Audit Committee's opinion
			2013	2014		
AIRA Securities Public Company Limited		- On 19 December 2013, the Company issued bill of exchange (B/E) No. 8/2013 with the value of 120 million baht and the interest rate of 3.40 % per annum. The maturity date is within 15 days which will be on 3 January 2014.		0.17		
		- On 6 June 2014, the Company issued bill of exchange (B/E) No. 1/2014 with the value of 300 million baht and the interest rate of 3.40 % per annum. The maturity date is within 88 days which will be on 2 September 2014.	2.44			
		- On 12 June 2014, the Company issued bill of exchange (B/E) No. 2/2014 with the value of 200 million baht and the interest rate of 3.40 % per annum. The maturity date is within 90 days which will be on 10 September 2014.	1.66			
		- On 2 September 2014, the Company issued bill of exchange (B/E) No. 3/2014 with the value of 300 million baht and the interest rate of 3.40 % per annum. The maturity date is within 90 days which will be on 1 December 2014.	2.49			
		- On 10 September 2014, the Company issued bill of exchange (B/E) No. 4/2014 with the value of 200 million baht and the interest rate of 3.40 % per annum. The maturity date is within 92 days which will be on 9 December 2014.	0.17			
		- On 14 November 2014, the Company issued bill of exchange (B/E) No. 5/2014 with the value of 500 million baht and the interest rate of 3.40 % per annum. The maturity date is within 53 days which will be on 6 January 2015.	2.46			
		- On 1 December 2014, the Company issued bill of exchange (B/E) No. 6/2014 with the value of 300 million baht and the interest rate of 3.40 % per annum. The maturity date is within 88 days which will be on 27 February 2015.	2.44			
		- On 9 December 2014, the Company issued bill of exchange (B/E) No. 7/2014 with the value of 200 million baht and the interest rate of 3.40 % per annum. The maturity date is within 87 days which will be on 3 March 2015.	1.66			
		- On 11 December 2014, the Company issued bill of exchange (B/E) No. 8/2014 with the value of 200 million baht and the interest rate of 3.40 % per annum. The maturity date is within 89 days which will be on 10 March 2015.	1.64			

Importance and reasonability of related transaction

In case the Company make agreement or contract or any related transaction with the subsidiaries, joint venture company, related company, outside parties and/or person who may have conflict of interest, the Company shall consider on the importance and reasonability of each agreement concerning the beneficial benefit of the Company.

Measure or procedure to approve the related transaction

In case the Company make agreement or contract or any related transaction with the subsidiaries, joint venture company, related company, outside parties and/or person who may have conflict of interest, the Board of Director determines that the practice have to follow the criteria announced by the Board of the Stock Exchange of Thailand - Disclosure and Transparency of the related transaction, value and condition like making an agreement with outside person. The Director or employee who may have a conflict of interest on such transaction must not participate on process of approval.

Policy or tendency to of the related transaction in the future

In case there is any related transaction in the future, the Company determines the policy to manage in line with the normal business following the act and notification or any regulation of the Stock Exchange of Thailand or any institute. Besides, the Company shall disclose the detail of the related transaction in the accompanying note of the financial statement, the form 56-1 and the annual report (56-2)

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the AIRA Factoring Public Company Limited appointed by the Board of Directors has consisted of 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. Miss Yajai Pattanasukwasun Audit Committee

The Audit Committee performed its duties as assigned by the Board of Director and in compliance with the criteria governing the Charter of the Audit Committee. Throughout the year 2014, the Audit Committee held 6 meetings with the Company's Management and the Internal Audit and Compliance Department in order to acknowledge the result of internal audit operation, good governance practice and also revise of 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 so as 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 without any suspicion in their audit report which was proposed to the Board of Director, the shareholder and the stakeholder on following criteria.

- The Audit Committee had examined the internal control procedure and acknowledged the Internal Audit and Compliance's report following with the annual audit plan as well as considered on the independence of the Internal Audit department 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 on the transparency of the information disclosure, without the conflict of interest and followed by the law and regulations of the other related organization, to the Board of Director to acknowledge on each matter.

- The Audit Committee had reviewed organization practice, conformed to the law and regulation of the Stock Exchange of Thailand and other related law and regulation via the audit procedure of the Internal Audit and Compliance Department. The Audit Committee expressed an opinion 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 and then reported the Board of Director to acknowledge the performance. For year 2014, the overall performance of self assessment was gratifying.

- The Audit Committee considered and nominated the appointment and remuneration of the Company's independent auditor for 2015 and proposed to the Board of Director 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. Throughout the year 2014, in the Audit Committee's opinion, we deemed that the information disclosed in the Company's financial reports has 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 17, 2015

Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for AIRA Factoring Public Company Limited's financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgment and the best estimation. Important information is adequately and transparency disclosed in the notes to financial statements for the Company shareholders and invest

The Board of Directors provides and maintains risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to retain its assets as well as to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee comprising independent directors to be responsible for reviewing quality of the financial reports, internal controls, internal audit and risk management system. The Audit Committee also reviews a disclosure of related party transactions. All their comments on these issues are presented in the Audit Committee Report included in this annual report

The separate financial statements and the consolidated financial statements of the Company have been examined by an external auditor, EY Office Limited. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, all records and related data, as requested, are provided to the auditor. The auditor's opinion is presented in the auditor's report as a part of this annual report

The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to AIRA Factoring Public Company Limited's financial statements financial statements for the year ended 31 December 2014. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations



Mr. Sorasit Soontornkes

Chairman



Mrs. Ladavan Tanatanit

Chief of Executive Committee

Independent Auditor's Report

To the Shareholders of AIRA Factoring Public Company Limited

I have audited the accompanying financial statements of AIRA Factoring Public Company Limited, which comprise the statement of financial position as at 31 December 2014, and the related comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

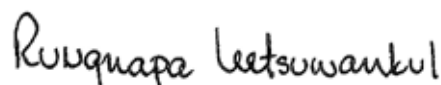
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AIRA Factoring Public Company Limited as at 31 December 2014, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 25 February 2015

Statement of financial position

AIRA Factoring Public Company Limited

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	As at 31 December 2014	As at 31 December 2013
Assets			
Current assets			
Cash and cash equivalents	7	45,533,112	87,425,774
Factoring receivables	8	2,419,326,743	2,662,275,556
Current portion of loans receivable	9	50,816,016	34,566,839
Other receivables		222,150	117,058
Other current assets		415,392	1,452,237
Total current assets		2,516,313,413	2,785,837,464
Non - current assets			
Loans receivable	9	64,100,254	73,547,446
Equipment	10	12,645,687	13,742,995
Deposits and guarantees		1,153,447	1,192,791
Deferred tax assets	17	4,741,505	5,725,135
Assets held for sale	11	11,150,000	-
Total non-current assets		93,790,893	94,208,367
Total assets		2,610,104,306	2,880,045,831

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

	Note	As at 31 December 2014	As at 31 December 2013
Liabilities and shareholders' equity			
Current liabilities			
Short - term loans from financial institutions	6, 12	2,165,749,165	2,356,672,674
Retentions from factoring		47,366,119	52,840,137
Other payables		2,197,763	6,400,856
Income tax payable		7,067,195	7,276,217
Other current liabilities	13	24,869,776	87,408,221
Total current liabilities		2,247,250,018	2,510,598,105
Non - current liabilities			
Provision for long - term employee benefits	14	11,006,546	14,883,064
Other non - current liabilities		394,632	157,853
Total non - current liabilities		11,401,178	15,040,917
Total liabilities		2,258,651,196	2,525,639,022
Shareholders' equity			
Share capital			
Registered			
40,000,000 ordinary shares of Baht 5 each		200,000,000	200,000,000
Issued and fully paid - up			
40,000,000 ordinary shares of Baht 5 each		200,000,000	200,000,000
Share premium		35,844,889	35,844,889
Capital contribution from parent company		246,438	103,051
Retained earnings			
Appropriated - statutory reserve	15	19,700,000	18,200,000
Unappropriated		95,661,783	100,258,869
Total shareholders' equity		351,453,110	354,406,809
Total liabilities and shareholders' equity		2,610,104,306	2,880,045,831
		-	-

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

Statement of comprehensive income

AIRA Factoring Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	Note	2014	2013
Profit or loss:			
Revenues			
Interest income from factoring		147,823,964	171,448,336
Fees and services income		30,371,366	33,405,322
Other income		7,693,366	9,576,504
Total revenues		185,888,696	214,430,162
Expenses			
Administrative expenses		94,956,589	68,370,547
Total expenses		94,956,589	68,370,547
Profit before finance cost and income tax expenses		90,932,107	146,059,615
Finance cost	6	(53,027,679)	(65,662,764)
Profit before income tax expenses		37,904,428	80,396,851
Income tax expenses	17	(13,001,514)	(15,666,777)
Profit for the year		24,902,914	64,730,074
Other comprehensive income:			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		24,902,914	64,730,074
Earnings per share			
Basic earnings per share	18	0.62	1.62
Weighted average number of ordinary shares (shares)		40,000,000	40,000,000

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

Cash flow statement

AIRA Factoring Public Company Limited

Cash flow statement

For the year ended 31 December 2014

(Unit: Baht)

	Note	2014	2013
Cash flows from operating activities			
Profit before tax		37,904,428	80,396,851
Adjustments to reconcile profit before tax to			
net cash provided by (paid from) operating activities:			
Depreciation		4,626,154	3,948,156
Bad debt and doubtful accounts (reversal)		27,860,701	(2,605,433)
Gain on sales of equipment		(2,011)	(384,875)
Allowance for impairment loss on assets held for sale		1,150,000	-
Provision for long - term employee benefits		113,482	2,136,457
Share - based payment transactions		143,387	103,051
Interest expenses		53,027,679	65,662,764
Profit from operating activities before			
changes in operating assets and liabilities		124,823,820	149,256,971
Operating assets (increase) decrease			
Factoring receivables		202,903,251	(250,466,558)
Loans receivable		(6,917,124)	17,204,020
Other receivables		(105,092)	358,331
Other current assets		1,036,845	(1,246,368)
Deposits and guarantees		39,344	748,689
Operating liabilities increase (decrease)			
Retentions from factoring		(5,474,018)	2,010,031
Other payables		(398,394)	450,744
Other current liabilities		(62,538,446)	13,682,939
Cash paid for long - term employee benefits		(3,990,000)	-
Other non - current liabilities		236,779	157,853
Cash flows from (used in) operating activities		249,616,965	(67,843,348)
Cash paid for corporate income tax		(12,226,906)	(17,289,412)
Net cash flows from (used in) operating activities		237,390,059	(85,132,760)

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

	Note	2014	2013
Cash flows from investing activities			
Acquisition of equipment		(3,563,879)	(12,664,268)
Proceeds from sales of equipment		5,800	384,993
Net cash flows used in investing activities		(3,558,079)	(12,279,275)
Cash flows from financing activities			
Increase (decrease) in short - term loans			
from financial institutions		(187,000,000)	237,000,000
Interest paid		(60,724,642)	(61,914,146)
Dividend paid		(28,000,000)	(52,000,000)
Net cash flows from (used in) financial activities		(275,724,642)	123,085,854
Net increase (decrease) in cash and cash equivalents		(41,892,662)	25,673,819
Cash and cash equivalents at beginning of year		87,425,774	61,751,955
Cash and cash equivalents at end of year	7	45,533,112	87,425,774
		-	-
Supplement cashflow information			
Non - cash transaction			
Purchase of equipment recorded as liabilities		-	31,244

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

(Unit: Baht)

	Issued and fully paid-up share capital	share premium	Capital contribution from parent company	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated	
Balance as at 1 January 2013	200,000,000	35,844,889	-	14,900,000	90,828,795	341,573,684
Profit for the year	-	-	-	-	64,730,074	64,730,074
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	64,730,074	64,730,074
Share - based payment transactions	-	-	103,051	-	-	103,051
Dividends paid (Note 21)	-	-	-	-	(52,000,000)	(52,000,000)
Transferred to statutory reserve (Note 15)	-	-	-	3,300,000	(3,300,000)	-
Balance as at 31 December 2013	<u>200,000,000</u>	<u>35,844,889</u>	<u>103,051</u>	<u>18,200,000</u>	<u>100,258,869</u>	<u>354,406,809</u>
Balance as at 1 January 2014	200,000,000	35,844,889	103,051	18,200,000	100,258,869	354,406,809
Profit for the year	-	-	-	-	24,902,914	24,902,914
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	24,902,914	24,902,914
Share - based payment transactions	-	-	143,387	-	-	143,387
Dividends paid (Note 21)	-	-	-	-	(28,000,000)	(28,000,000)
Transferred to statutory reserve (Note 15)	-	-	-	1,500,000	(1,500,000)	-
Balance as at 31 December 2014	<u>200,000,000</u>	<u>35,844,889</u>	<u>246,438</u>	<u>19,700,000</u>	<u>95,661,783</u>	<u>351,453,110</u>
	-	-	-	-	-	-
	-	-	-	-	-	-

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

Notes to financial statements

AIRA Factoring Public Company Limited

Notes to financial statements

For the year ended 31 December 2014

1. General information

1.1 Corporate information

AIRA Factoring Public Company Limited ("the Company") 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, which was incorporated in Thailand. The Company is principally engaged in receivable factoring. The registered office of the Company is at 319 Chamchuri Square, 20th floor, Phayathai Road, Pathumwan Sub - District, Pathumwan District, Bangkok.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting 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. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share - based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non - current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non - cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company immediately recognizes actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company is that when the revised standard is applied in 2015 and the method of recognizing those gains and losses is changed to immediately recognize them in other comprehensive income, there will be no impact to provision for long - term employee benefit liabilities and retained earnings in the financial statements.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company believes that this standard will not have any significant impact on the Company's financial statements.

4. Significant accounting policies

4.1 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.

4.2 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.

4.3 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.

4.4 Factoring receivables

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

4.5 Loans receivable

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

4.6 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.

4.7 Troubled debt restructuring

In cases where the debt restructuring involves modifications of the terms, the fair value of the receivables after restructuring is based on the net present value of expected future cash flows, discounted by the interest rate under the modified terms which forms the basis for making collection from the debtor. Differences between the fair values of receivables as of the restructuring date and their previous book values is recorded in "Revaluation allowance for debt restructuring", and recognised as an expense in profit or loss in the statements of comprehensive income in the year in which the restructuring takes place. The Company reviews such revaluation allowance based on the net present value of future cash flows over the remaining period to maturity, recognising adjustments to the allowance against impairment of loan receivable.

4.8 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.

4.9 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.

4.10 Long - term leases

Operating lease payments are recognised as an expense in profit or loss on a straight - line basis over the lease term.

4.11 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.

4.12 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 benefits are recognised immediately in profit or loss.

For the first - time adoption of TAS 19 Employee Benefits in 2011, 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 2011.

4.12 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.

4.13 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current 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.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.14 Share - Based Payment

The parent company allotted warrants under Employee Stock Option Plan to employees of the Company.

The Company recognizes share - based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share - based payment plan, together with a corresponding increase in "capital contribution from parent company" in shareholders' equity.

Estimating fair value for share - based payment transactions requires management to exercise judgement, and to apply assumptions, including as to the expected life of the share options, share price volatility and dividend yield.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards 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.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post - employment benefits under defined benefit plans

The obligation under the defined 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.

6. Related party transactions

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

<u>Name of entities</u>	<u>Nature of relationships</u>
AIRA Capital Public Company Limited	Major shareholder
Summit Corporation Company Limited	Shareholder of the Company
AIRA Securities Public Company Limited	Common shareholders

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)

	2014	2013	Transfer Pricing Policy
<u>Transactions with related companies</u>			
Interest expenses	13	18	Money market rate

As at 31 December 2014 and 2013, the balances of the accounts between the Company and a related company are as follows:

(Unit: Thousand Baht)

	2014	2013
Short - term loans from financial institutions - related party		
Related company	<u>1,195,749</u>	<u>619,673</u>

During the year, movements of short - term loans from a related company are as follows:

(Unit: Thousand Baht)

Short - term loans	Related by	Balance as at 31 December 2013	Increase	Decrease	Balance as at 31 December 2014
<u>AIRA Securities Public</u> <u>Company Limited</u>	Related by common				
Face value of bill of exchange	shareholders	620,000	2,200,000	(1,620,000)	1,200,000
Prepaid interest expenses		(327)	(16,443)	12,519	(4,251)
Bill of exchange - net		<u>619,673</u>	<u>2,183,557</u>	<u>(1,607,481)</u>	<u>1,195,749</u>

As at 31 December 2014, short - term loans from a related company are bills of exchange with face values of Baht 500 million, Baht 300 million, Baht 200 million and Baht 200 million, which carry interest at market interest rates and mature on 6 January 2015, 27 February 2015, 6 March 2015 and 10 March 2015, respectively.

On 6 January 2015, the Company repaid the balance of the bill of exchange with face value of Baht 500 million.

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	2014	2013
Short - term employee benefits	18	23
Post employment benefits	<u>1</u>	<u>1</u>
Total	<u>19</u>	<u>24</u>

7. Cash and cash equivalents

(Unit: Thousand Baht)

	2014	2013
Cash	10	10
Deposits at financial institutions	<u>45,523</u>	<u>87,416</u>
Total	<u>45,533</u>	<u>87,426</u>

As at 31 December 2014, bank deposits in saving accounts carried interests 0.50% per annum (2013: between 0.50% per annum).

8. Factoring receivables

(Unit: Thousand Baht)

	2014	2013
Factoring receivables	2,918,712	3,155,049
Accrued interest income from factoring	7,111	7,115
Total	2,925,823	3,162,164
Less: Factoring payables	(434,583)	(447,613)
Unearned interest income	(14,602)	(14,445)
	2,476,638	2,700,106
Less: allowance for doubtful accounts	(57,311)	(37,830)
Factoring receivables - net	2,419,327	2,662,276

The balances of factoring receivables as at 31 December 2014 and 2013, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

Age of factoring receivables	2014	2013
Not yet due	2,773,063	3,016,121
Past due		
Up to 3 months	51,498	62,543
3 - 6 months	1,707	25,272
Over 6 months	92,444	51,113
Total factoring receivables	2,918,712	3,155,049

As at 31 December 2014, factoring receivables which were overdue for over 6 months amounting to Baht 92 million (2013: Baht 51 million) before setting off the amount repayable to the transferor upon settlement of the factored debts amounting to Baht 29 million (2013: Baht 14 million). The Company has provided a full amount of allowance for doubtful accounts for such net receivables.

9. Loans receivable

(Unit: Thousand Baht)

	Current portion of loans receivable		Loans receivable		Total	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Loans receivable	50,816	34,567	64,215	73,547	115,031	108,114
Less : Allowance for doubtful accounts	-	-	(115)	-	(115)	-
Loans receivable - net	50,816	34,567	64,100	73,547	114,916	108,114

The Company has restructured factoring receivables by means of modification of terms. The balance before restructuring amounted to Baht 73 million and the repayment period was about 7 years. However, this restructuring by modification of terms does not result in any loss. During the year 31 December 2014, the Company received principal and interest payments totaling Baht 3 million and 4 million, respectively (2013: the Company received principal and interest payments totaling Baht 7 million and 4 million, respectively).

As at 31 December 2014, the loan receivable balance amounted to Baht 61 million (2013: Baht 64 million)

10. Equipment

(Unit: Thousand Baht)

	Computers	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost:					
1 January 2013	3,827	1,438	911	10,120	16,296
Additions	1,107	8,629	279	2,680	12,695
Disposals/write - off	(804)	(123)	(387)	(930)	(2,244)
31 December 2013	4,130	9,944	803	11,870	26,747
Additions	287	128	86	3,032	3,533
Disposals/write - off	(21)	(11)	(11)	-	(43)
31 December 2014	4,396	10,061	878	14,902	30,237
Accumulated depreciation:					
1 January 2013	3,223	1,181	697	6,199	11,300
Depreciation for the year	527	1,349	108	1,964	3,948
Depreciation on disposals/write - off	(804)	(123)	(387)	(930)	(2,244)
31 December 2013	2,946	2,407	418	7,233	13,004
Depreciation for the year	659	1,713	118	2,136	4,626
Depreciation on disposals/write - off	(17)	(11)	(11)	-	(39)
31 December 2014	3,588	4,109	525	9,369	17,591
Net book value:					
31 December 2013	1,184	7,537	385	4,637	13,743
31 December 2014	808	5,952	353	5,533	12,646
Depreciation for the year					
2013					3,948
2014					4,626

As at 31 December 2014, certain equipment items were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 9 million (2013: Baht 6 million).

11. Assets held for sale

Details of assets held for sale are as follows:

(Unit: Thousand Baht)

	2014	2013
Machinery	12,300	-
Less: Allowance for impairment loss on assets held for sale	(1,150)	-
Machinery - net	11,150	-

A factoring receivable made partial settlement by transferring machinery to the Company. The Company is in the process of selling these assets.

12. Short - term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	2014	2013
Short-term loans from financial institutions			
Promissory notes	3.00 - 5.30	970,000	1,737,000
Bill of exchange - related party	3.40 - 3.70	1,200,000	620,000
Less: Prepaid interest expenses		(4,251)	(327)
Total		<u>2,165,749</u>	<u>2,356,673</u>

As at 31 December 2014, 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 at the rate prescribed in the agreements, etc.

As at 31 December 2014, the credit facilities of the Company which have not yet been drawn down amounted to Baht 1,290 million (2013: Baht 768 million).

13. Other current liabilities

(Unit: Thousand Baht)

	2014	2013
Deposits and cheque in transit awaiting to transfer	23,518	85,396
Other current liabilities	<u>1,352</u>	<u>2,012</u>
Total	<u>24,870</u>	<u>87,408</u>

14. Provision for long - term employee benefits

Provision for long - term employee benefits which is compensations on employees' retirement, was as follows

(Unit: Thousand Baht)

	2014	2013
Defined benefit obligation at beginning of year	14,883	12,746
Current service cost	1,750	1,691
Interest cost	520	446
Actuarial gain recognised during the year	(2,156)	-
Benefits paid during the year	<u>(3,990)</u>	<u>-</u>
Provisions for long - term employee benefits at end of year	<u>11,007</u>	<u>14,883</u>

Long - term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	2014	2013
Current service cost	1,750	1,691
Interest cost	520	446
Actuarial gain recognised during the year	(2,156)	-
Total expense recognized in profit or loss	114	2,137

Such expenses are included in administrative expenses in profit or loss.

Key actuarial assumptions used for the valuation date are as follows:

	2014 (% per annum)	2013 (% per annum)
Discount rate	3.5	3.5
Future salary increase rate	7.0	8.0

The amounts of defined benefit obligations and experience adjustments for the current year and the past four years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation	Experience adjustments arising on the plan liabilities
Year 2014	11,007	(611)
Year 2013	14,883	-
Year 2012	12,746	931
Year 2011	8,280	-
Year 2010	7,100	-

15. 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.

16. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	2014	2013
Salaries, wages and other employee benefits	39,814	46,744
Depreciation	4,626	3,948
Bad debt and doubtful accounts (reversal)	27,861	(2,605)
Specific business tax	6,133	7,061
Examination fess on factoring documents	2,742	3,352
Office rental expense	4,153	3,442

17. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	2014	2013
Current income tax:		
Current income tax charge	12,018	16,122
Deferred tax:		
Relating to origination and reversal of temporary differences	984	(455)
Income tax expense reported in the statement of comprehensive income	13,002	15,667

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	2014	2013
Accounting profit before tax	37,904	80,397
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	7,581	16,079
Unrecognised temporary differences	5,308	(517)
Effects of:		
Non - deductible expenses	155	120
Additional expense deductions allowed	(42)	(15)
Total	113	105
Income tax expenses reported in the statement of comprehensive income	13,002	15,667

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position	
	As at 31 December 2014	As at 31 December 2013
Deferred tax assets		
Allowance for doubtful accounts	2,231	2,717
Allowance for impairment loss on assets held for sale	230	-
Provision for long - term employee benefits	2,201	2,977
Accrued rental expense	79	31
Total	4,741	5,725

18. 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.

19. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Board of Directors of the Company.

The one main reportable operating segment of the Company is the factoring business and the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

20. 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 2014, the Company contributed Baht 2 million (2013: Baht 2 million) to the fund.

21. Dividends

Dividend	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Dividend from profit for period 2012	Annual General Meeting of the shareholders on 10 April 2013	40,000	1.00
Dividend from profit for the first quarter of 2013	Meeting of the Company's Board of Directors on 3 May 2013	12,000	0.30
Total for 2013		52,000	1.30
Dividend from the 2013 net income	Annual General Meeting of the shareholders on 28 April 2014	28,000	0.70
Total for 2014		28,000	0.70

22. Commitments and contingent liabilities

22.1 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of office building space. The terms of the agreements are generally 9 years. Future minimum lease payments required under these non - cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	As at 31 December	
	2014	2013
Payable:		
In up to 1 year	5	4
In over 1 and up to 5 years	18	17
In over 5 years	12	17

23. Financial instruments

23.1 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 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)

	As at 31 December 2014						
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				
	(% per annum)						
Financial Assets							
Cash and cash equivalents	-	-	-	6	40	46	0.50
Factoring receivables	2,419	-	-	-	-	2,419	6.00 - 15.00
Loans receivable	51	64	-	-	-	115	6.00 - 9.93
	2,470	64	-	6	40	2,580	
Financial liabilities							
Short-term loans from							
financial institutions	-	-	-	2,166	-	2,166	3.00 - 3.65
Retentions from factoring	-	-	-	-	47	47	-
Other payables	-	-	-	-	2	2	-
	-	-	-	2,166	49	2,215	

(Unit: Million Baht)

	As at 31 December 2013						
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				
	(% per annum)						
Financial Assets							
Cash and cash equivalents	-	-	-	12	75	87	0.50
Factoring receivables	2,662	-	-	-	-	2,662	6.00 - 15.00
Loans receivable	35	60	13	-	-	108	6.00 - 9.93
	2,697	60	13	12	75	2,857	
Financial liabilities							
Short - term loans from							
financial institutions	-	-	-	2,357	-	2,357	3.40 - 5.30
Retentions from factoring	-	-	-	-	53	53	-
Other payables	-	-	-	-	6	6	-
	-	-	-	2,357	59	2,416	

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.

23.2 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.

24. 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 2014, the Company's debt - to - equity ratio was 6.43:1 (2013: 7.13:1).

25. Event after the reporting period

On 25 February 2015, the Board of Directors of the Company passed a resolution to propose a dividend payment for the year 2014 of Baht 0.50 per share, or a total of Baht 20 million to the parent company's Board of Directors. The payment of such dividend is to be made pending an approval from a resolution of the meeting of the parent company's Board of Directors and the meeting of shareholders.

26. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2015.

Management Discussion and Analysis: MD&A

In operating year 2014, AF's net profit resulted at THB 24.90 million which decreased from year 2013 by THB 39.83 million or 61.53% due to declined volume of purchasing trade documents, additional reserves and rising allowance of doubtful debts in year 2014.

Return on Assets (ROA) in year 2014 reduced by 1.30 times or 57.78% and Return on Equity (ROE) dropped by 11.37 times or 61.17% from year 2013 respectively.

Revenue and Expenses

Revenues

In year 2014, AF's revenues were THB 185.89 million which downed from year 2013 by THB 28.54 million or 13.31% owing to adverse factors caused to deteriorating revenues in year 2014 compared to previous year. Because AF had decreasing purchase trade documents volume due to many negative factors. Particularly sluggish economy caused from uncertain situation in the country which continuously impacted to reduce good purchase together with AF had additional policy to be "Year of Quality". Then AF was more stringent on clients for quality control.

In year 2014, AF had interest income from purchase Right of Claim amounting to THB 147.82 million, dropped by THB 23.63 million or 13.78% and fee and service incomes at THB 30.37 million decreased by THB 3.04 million or 9.10%. Volume of purchasing Right of Claim from clients in year 2014 was THB 17,904 million, decreased from year 2013 by THB 2,387 million or dropped by 11.76%. Moreover, AF had others income amounting to THB 7.69 million, decreased by THB 1.89 million or 19.73%.

Operating Expenses

In year 2014, AF had total operating expenses amounting to THB 160.97 rose by THB 11.29 million or 7.54%. Details of operating expenses are at the followings:

- Interest expenses: In year 2014, AF had the said expenses at THB 53.03 million, decreased from year 2013 by THB 12.63 million or 19.24%. The main factor which effected to AF's reduction of interest expense was decreasing volume of purchase trade documents and less borrowing amount together with borrowing from a related company.
- Administrative expenses: In year 2014, AF recorded the said expenses at THB 67.10 million decreased from year 2013 by THB 3.88 million or 5.47%.
- Reserves and Allowance for Doubtful Debts : In year 2014, AF booked the said expenses at THB 27.86 million whereby increased from revision of allowance for doubtful debt consisting of general reserve at THB 2.61 million, specific reserve by debt aging at THB 21.50 million and bad debt at THB 3.75 million, compared to previous year. In year 2013, AF reversed its bad debts amounting to THB 2.61 million.

(Unit: Thousand Baht)

Revenue and Expenses	2557	2556	Change	
			Amount	%
Revenue	185,889	214,430	(28,541)	(13.31)
Interest income from purchase trade document	147,824	171,448	(23,624)	(13.78)
Fees and services	30,372	33,405	(3,033)	(9.08)
Other income	7,693	9,577	(1,884)	(19.67)
Expenses	160,986	149,700	11,286	7.54
Finance costs	53,028	65,663	(12,635)	(19.24)
Administrative expenses	67,096	70,975	(3,879)	(5.47)
Allowance for doubtful debt (Reversed)	27,861	(2,605)	30,466	1,169.52
Corporate Tax	13,001	15,667	(2,666)	(17.02)
Profit for the year	24,903	64,730	(39,827)	(61.53)

Financial Status

As at 31 December 2014, AF had total assets amounting to THB 2,610.10 million, decreased from year 2013 by THB 269.95 million or 9.37% due to the following:-

- Account receivable from purchase right of claim as at 31 December 2014 amounting to THB 2,419.33 million, dropped from year 2013 by THB 242.95 million or 9.13% because of decreasing utilization of Factoring Facility from clients. These caused decreasing volume of purchase trade document accordingly. Factoring volume of year 2014 was THB 17,903.77 million, reduced from year 2013 by THB 2,387.70 million or 11.77%.

- As at 31 December 2014, AF had net office equipment at THB 12.65 million, decreased from year 2013 by THB 1.09 million or 7.98%.

As at 31 December 2014, AF's total liabilities were THB 2,258.65 million, decreased from year 2013 by THB 266.99 million or 10.57% due to reduction of client's utilization of Factoring Facility. Deposit from purchase right of claim was THB47.37 million, dropped from year 2013 by THB 5.47 million or 10.36%, and provision of employee benefit amounted to THB 11.01 million to be complied with TAS19.

As at 31 December 2014, AF's total equity stood at THB 351.45 million, downed from year 2013 by THB 2.96 or 0.83%.

(Unit: Thousand Baht)

Item	2014	2013	Change	
			Amount	%
Total Assets	2,610,104	2,880,046	(269,942)	(9.37)
Cash and cash equivalents	45,533	87,426	(41,893)	(47.92)
Factoring receivables	2,419,327	2,662,276	(242,949)	(9.13)
Current portion of loans receivable	50,816	34,567	16,249	47.01
Other receivables	222	117	105	89.74
Other current assets	415	1,452	(1,037)	(71.42)
Loans receivable	64,100	73,547	(9,447)	(12.84)
Equipment	12,646	13,743	(1,097)	(7.98)
Deposits and guarantees	1,153	1,193	(40)	(3.35)
Assets held for sale	11,150	-	11,150	1,115,000
Deferred tax assets	4,742	5,725	(983)	(17.17)
Total liabilities	2,258,651	2,525,639	(266,988)	(10.57)
Short-term loans from financial institutions	2,165,749	2,356,673	(190,924)	(8.10)
Retentions from factoring	47,366	52,840	(5,474)	(10.36)
Other payables	2,198	6,401	(4,203)	(65.66)
Income tax payable	7,067	7,276	(209)	(2.87)
Other current liabilities	24,870	87,408	(62,538)	(71.55)
Non-current liabilities	11,401	15,041	(3,640)	(24.20)
Total shareholders' equity	351,453	354,407	(2,954)	(0.83)
Issued and fully paid-up	200,000	200,000	-	-
Share premium	35,845	35,845	-	-
Capital contribution from parent company	246	103	143	138.83
Retained earnings - Appropriated - statutory reserve	19,700	18,200	1,500	8.24
Retained earnings - unappropriated	95,662	100,259	(4,597)	(4.59)
Total liabilities and shareholders' equity	2,610,104	2,880,046	(269,942)	(9.37)



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