



2015

ANNUAL REPORT

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Section 5: Board Responsibilities	1.The long-term business goals. 2.The number of listed companies, the directors be appointed. 3.Limit the number of years in the tenure of independent directors within the past 9 years. 4.Regulations for the President to serve as a director of other companies. 5.Determination of regulatory practice. 6.Policy Development and promotion of knowledge. 7.Meeting/number of quorum at a minimum. The vote shall not be less than 2 in 3. 8.Rules/process Self-evaluation of the Board and Committees. 9.Evaluation/remuneration of the Managing Director.	Page 11 Page 21 No. 1 None None Page 20 No. 4 Page 23 No. 16.2 Page 21 No. 3 Page 24 No. 17 Page 25 No. 20, 67

Message from Chairman



Concerning the overall picture of AIRA Factoring PLC's business operation for entire year 2015, the Company's operating revenue increased to THB 191.19 million from previous year, which was a THB 5.3 million or 2.69% rise. The slight increase in revenue was due to the slower than expected but steady state economy of Thai economy, which caused only a slight increase in the purchase of account receivable rights. Nonetheless, the Company strictly pursues a vigorous control of the quality of the clients.

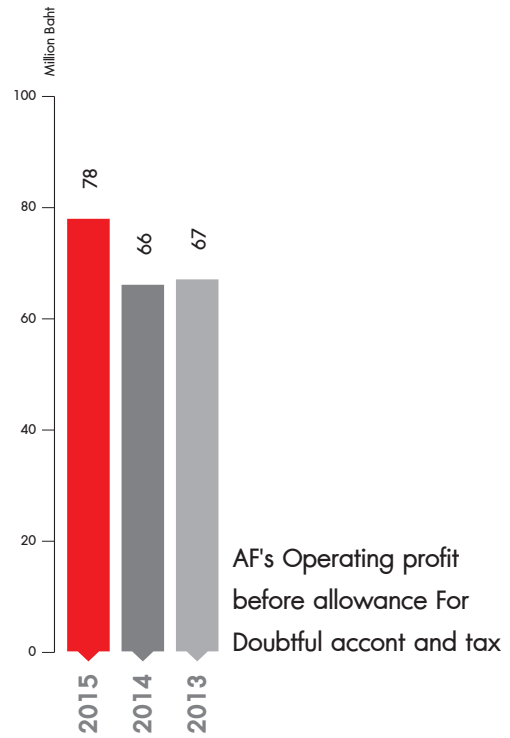
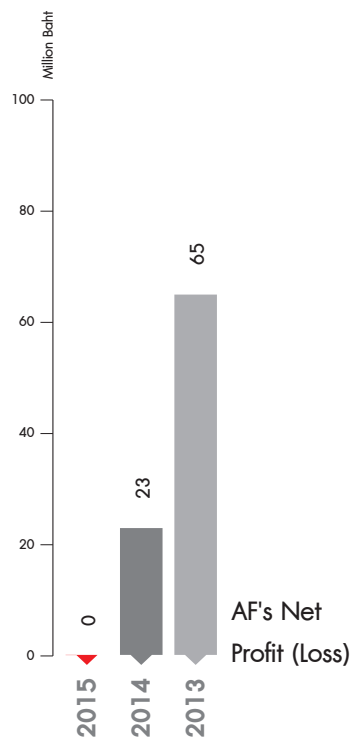
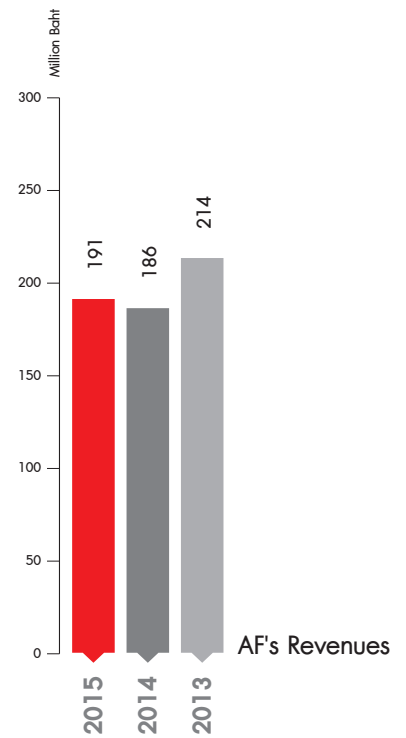
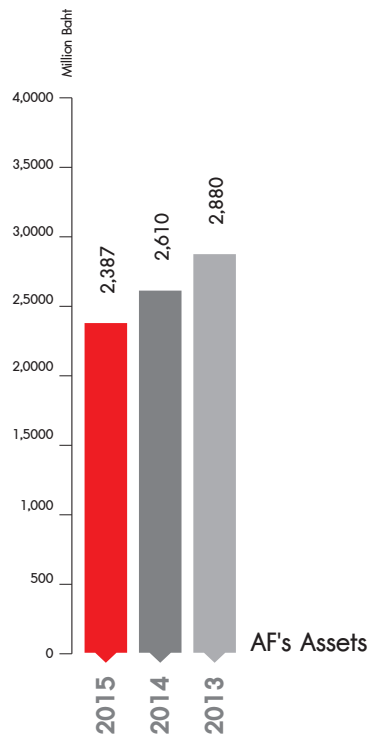
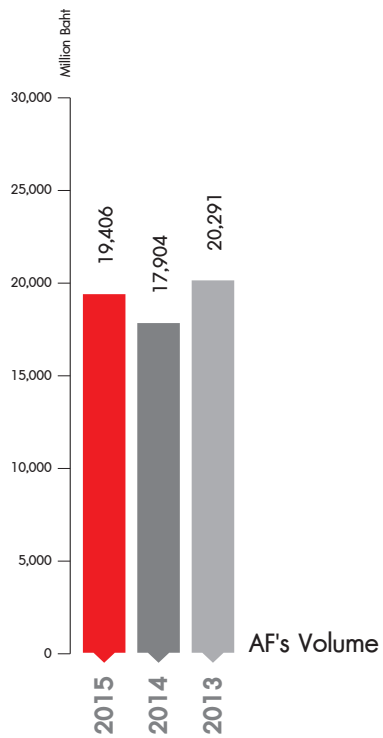
For the year 2016, in order to boost competitiveness, the Company will develop aggressive marketing by focusing on careful monitoring of any changes which may arise and adversely affect the performance of the Company. Moreover, the Company will deliver a unique approach towards clients with a distinct service in order to attract more applicants while retaining our current portfolio. In addition, the Company aims to expand our clients' base into industries such as electric appliances, electronic, telecommunications, consumer goods and any business related to health and beauty. Such said industries are large and important to the Thai economy, and this will improve our competitiveness in the factoring business with their high growth rates.

On behalf of the Board of directors, I would like to thank all shareholders, banks, clients for supporting the Company's operation including the Managements and all staffs who have remained fully dedicated to the Company. Please be assured that AIRA Factoring PLC will adhere to monitoring continuous growth for the highest benefit of shareholders, clients, and all stakeholders to bring harmony and sustainability for the Company.

Sorasit Soontornkes
Mr. Sorasit Soontornkes

Chairman

Financial Highlight 2015



Statement of Financial Position

Statement of Financial Position

As at 31 December 2015, 2014 and 2013

(Units : Baht)

Statement of financial position	31 Dec 2015	%	31 Dec 2014	%	31 Dec 2013	%
Current assets						
Cash and cash equivalents	5,405,308	0.23%	45,533,112	1.74%	87,425,774	3.04%
Factoring receivables	2,349,173,186	98.43%	2,419,326,743	92.69%	2,662,275,556	92.44%
Current portion of loans receivable	5,421,046	0.23%	50,816,016	1.95%	34,566,839	1.20%
Other receivables	300,031	0.01%	222,150	0.01%	117,058	0.00%
Other current assets	545,667	0.02%	415,392	0.02%	1,452,237	0.05%
Total current assets	2,360,845,238	98.91%	2,516,313,413	96.41%	2,785,837,464	96.73%
Non-current assets						
Loans receivable	0	0.00%	64,100,254	2.46%	73,547,446	2.55%
Equipment	9,248,153	0.39%	12,645,687	0.48%	13,742,995	0.48%
Intangible assets	414,230	0.02%	0	0.00%	0	0.00%
Deposits and guarantees	1,119,047	0.05%	1,153,447	0.04%	1,192,791	0.04%
Deferred tax assets	5,277,843	0.22%	4,741,505	0.18%	5,725,135	0.20%
Assets held for sale	9,853,200	0.41%	11,150,000	0.43%	0	0.00%
Total non-current assets	25,912,473	1.09%	93,790,893	3.59%	94,208,367	3.27%
Total assets	2,386,757,711	100%	2,610,104,306	100%	2,880,045,831	100%
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	1,727,291,772	72.37%	2,165,749,165	82.98%	2,356,672,674	81.83%
Retention from factoring	46,278,533	1.94%	47,366,119	1.81%	52,840,137	1.83%
Other payables	2,809,885	0.12%	2,197,763	0.08%	6,400,856	0.22%
Income tax payable	5,806,636	0.24%	7,067,195	0.27%	7,276,217	0.25%
Other current liabilities	18,896,184	0.79%	24,869,776	0.95%	87,408,221	3.03%
Total current liabilities	1,801,083,010	75.46%	2,247,250,018	86.10%	2,510,598,105	87.17%
Non-current liabilities						
Provision for long-term employee benefits	13,372,273	0.56%	11,006,546	0.42%	14,883,064	0.52%
Other non-current liabilities	631,411	0.03%	394,632	0.02%	157,853	0.01%
Total non-current liabilities	14,003,684	0.59%	11,401,178	0.44%	15,040,917	0.52%
Total liabilities	1,815,086,694	76.05%	2,258,651,196	86.53%	2,525,639,022	87.69%

Statement of Financial Position

As at 31 December 2015, 2014 and 2013

(Units : Baht)

Statement of financial position	31 Dec 2015	%	31 Dec 2014	%	31 Dec 2013	%
Shareholders' equity						
Share capital - issued and fully paid-up	400,000,000	16.76%	200,000,000	7.66%	200,000,000	6.94%
Share premium	75,844,889	3.18%	35,844,889	1.37%	35,844,889	1.24%
Capital contribution from parent company	319,372	0.01%	246,438	0.01%	103,051	0.00%
Retained earnings - Appropriated - statutory reserve	19,710,000	0.83%	19,700,000	0.75%	18,200,000	0.63%
Unappropriated	75,796,756	3.18%	95,661,783	3.67%	100,258,869	3.48%
Total shareholders' equity	571,671,017	23.95%	351,453,110	13.47%	354,406,809	12.31%
Total liabilities and shareholders' equity	2,386,757,711	100.00%	2,610,104,306	100.00%	2,880,045,831	100.00%

Statement of Comprehensive Income

For the year ended 31 December 2015, 2014 and 2013

(Units : Baht)

Statement of comprehensive income	31 Dec 2015	%	31 Dec 2014 (Restated)	%	31 Dec 2013	%
Revenues						
Interest income from factoring	155,960,934	81.57%	147,823,964	79.52%	171,448,336	79.96%
Fees and services income	30,970,555	16.20%	30,371,366	16.34%	33,405,322	15.58%
Finance cost	(51,033,204)	26.69%	(53,027,679)	28.53%	(65,662,764)	30.62%
Gross income*	135,898,285	72.70%	125,167,651	70.24%	139,190,894	67.95%
Other income	4,260,318	2.23%	7,693,366	4.14%	9,576,504	4.47%
Total revenues	191,191,807	100%	185,888,696	100%	214,430,162	100%
Expenses						
Administrative expenses	(127,163,228)	66.51%	(97,112,848)	52.24%	(68,370,547)	31.88%
Profit before income tax expenses	12,995,375	6.80%	35,748,169	19.23%	80,396,851	37.49%
Income tax expenses	(12,850,402)	6.72%	(12,570,262)	6.76%	(15,666,777)	7.31%
Profit for the year	144,973	0.08%	23,177,907	12.47%	64,730,074	30.19%
Other comprehensive income:						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
Actuarial gains - net of income tax	0		1,725,007		0	
Total comprehensive income for the year	144,973	0.08%	24,902,914	13.40%	64,730,074	30.19%

Weighted average number of ordinary shares	1,021,370,000	800,000,000	800,000,000
EPS	0.0001	0.029	0.08

* Gross income percentage is calculated from the Gross income divided by the core revenue which the core revenue includes Interest income from factoring and Income from fees and services where it corresponds to the core business of the company

Cash Flow Statement

For the year ended 31 December 2015, 2014 and 2013

(Units : Baht)

Cash flow statement	31 Dec 2015	31 Dec 2014 (Restated)	31 Dec 2013
Cash flows from			
Profit before tax	12,995,375	35,748,169	80,396,851
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation	4,629,918	4,626,154	3,948,156
Bad debt and doubtful accounts	52,349,615	27,860,701	(2,605,433)
Gain on sales of equipment	0	(2,011)	(384,875)
Allowance for impairment loss on assets held for sale	1,296,800	1,150,000	0
Provision for long-term employee benefits	2,615,727	2,269,741	2,136,457
Share-based payment transactions	72,934	143,387	103,051
Interest expenses	51,033,204	53,027,679	65,662,764
Profit from operating activities before changes in operating assets and liabilities	124,993,573	124,823,820	149,256,971
Operating assets (increase) decrease			
Factoring receivables	80,824,422	202,903,251	(250,466,558)
Loans receivables	48,990,613	(6,917,124)	17,204,020
Other receivables	(2,593,750)	(105,092)	358,331
Other current assets	(130,275)	1,036,845	(1,246,368)
Deposits and guarantees	34,400	39,344	748,689
Operating liabilities increase (decrease)			
Retention from factoring	(1,087,586)	(5,474,018)	2,010,031
Other payables	(115,172)	(398,394)	450,744
Other current liabilities	(5,973,592)	(62,538,446)	13,682,939
Cash paid for long-term employee benefits	(250,000)	(3,990,000)	0
Other non-current liabilities	236,779	236,779	157,853
Cash flows from operating activities	244,929,412	249,616,965	(67,843,348)
Cash paid for corporate income tax	(14,647,300)	(12,226,906)	(17,289,412)
Net cash flows from operating activities	230,282,112	237,390,059	(85,132,760)
Cash flows from investing activities			
Acquisition of equipment	(1,232,384)	(3,563,879)	(12,664,268)
Acquisition of intangible assets	(414,230)	0	0
Proceeds from sales of equipment	0	5,800	384,993
Net cash flows used in investing activities	(1,646,614)	(3,558,079)	(12,279,275)

Cash Flow Statement

For the year ended 31 December 2015, 2014 and 2013

(Units : Baht)

งบกระแสเงินสด	31 Dec 2015	31 Dec 2014 (Restated)	31 Dec 2013
Cash flows from financing activities			
Decrease in short-term loans from financial institutions	(440,362,775)	(187,000,000)	237,000,000
Cash received from increasing share capital	240,000,000	0	0
Interest paid	(48,400,527)	(60,724,642)	(61,914,146)
Dividend paid	(20,000,000)	(28,000,000)	(52,000,000)
Net cash flows used in financial activities	(268,763,302)	(275,724,642)	123,085,854
Net increase (decrease) in cash and cash equivalents	(40,127,804)	(41,892,662)	25,673,819
Cash and cash equivalents at beginning of year	45,533,112	87,425,774	61,751,955
Cash and cash equivalents at end of year	5,405,308	45,533,112	87,425,774

Key Financial Ratios

For the year ended 31 December 2015, 2014 and 2013

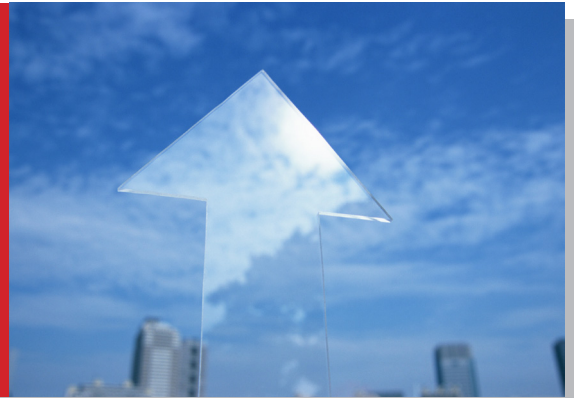
(Units : Baht)

Key financial ratios		31 Dec 2015	31 Dec 2014 (Restated)	31 Dec 2013
Liquidity Ratio				
Current Ratio	Times	1.31	1.12	1.11
Profitability Ratio				
Gross Profit Margin	%	72.70%	70.24%	67.95%
Net Profit Margin	%	0.08%	13.40%	30.19%
Return On Equity or ROE	%	0.03%	7.09%	18.26%
Efficiency Ratio				
Return on Asset or ROA	%	0.01%	0.95%	2.25%
Financial Ratio				
Debt to Asset Ratio	Times	0.76	0.87	0.88
Debt to Equity	Times	3.18	6.43	7.13
Interest Coverage Ratio	Times	1.25	1.71	2.22

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"

General Information

Company Name	: AIRA Factoring Public Company Limited “AF”
Head Office and plant	: 319 Chamchuri Square, 20 Floors, Phayathai Road, Pathumwan Sub-District, Pathumwan District, Bangkok 10330
Business	: The Company’s main business is to provide short-term financing service by transferring creditors’ right or factoring service.
Company’s registration	: PCL.0107547000141
Web Site	: www.airafactoring.co.th
Telephone	: 02-657-6222
Fax	: 02-657-6244, 02-657-6245
Capital Stock	: Registered share capital in which issued and fully paid-up on 31 December 2015 is equivalent to THB 400 Million composed of 1,600 Million ordinary shares of THB 0.25 per share
Reference	
Share registrar	: Thailand Securities Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Tel 0-2009-9000 Fax 0-2009-9991
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 “Ernst & Young Office Limited”) 33rd Floor, Lake Rajada Office Complex 193/136-137 Ratchadaphisek Road, Klongtoey, Bangkok 10110 Tel 0-2264-0777 Fax 0-2264-0789-90
Legal Consultant	: Mr.Suthap Tarawat

Company Business Overview

AIRA Factoring Public Company Limited (“the Company”) offers factoring services in Thailand (Domestic Factoring). Factoring is a short term loan where the clients transfers their rights to collect Account Receivables to the Company, while the Company will loan out a discounted amount and collect the money from the customers when it is due. The main clients of AF are clients with high potential, outstanding growth, and continuous expansion. The main clients of AF are in businesses that sell consumer products that supply to Modern Trade customers, electronics, electronic parts, telecommunication, consumer products, and services that concerns with beauty. The industries that compose the main clients of the company are ones that are important core industries to the country, continuously growing, and clear simple operation where these multiple industries allow AF to efficiently diversify the risks and further expand the projected revenue for the future.

AF has been in the factoring business for more than 19 years, with deep experience and know-how as our competitive advantage, clients have trusted us and kept an ongoing relationship for a long time. Moreover, AF have received great support from our main shareholders concerning the evaluation of clients that supply our shareholders and confirming the transfer of rights to collect the accounts receivable from clients which is the key risk to the factoring industry. Nonetheless, in order to sustain AFs and our client’s business, AF has helped support the clients operations by giving advice and recommendationsthat would benefit the business for example, inventory management, raw material sourcing, and managing suppliers. Moreover, the Company is prompt to expand credit limit to further expand the opportunity of the clients.

For the general overview of the company for 2015, the company has total revenue equal to 191.19 Million Baht, an increase of 5.3 Million Baht or 2.69% from the previous year. The main reason for the little increase come to the steady growth of the Thai economy without any clear direction of growth. This in turn does not allow for high consumer spending, thus, AF holds a strict policy to control the credit risk of the clients.

Revenue Structure

The revenue of the company can be broken down into the following services:

Type of Service	Type of Income	Source of the Income
Domestic Factoring	Revenue from factoring services	Interest Income from Factoring
	Fees and Services	Fee from opening credit limit
		Fee from purchasing rights

The revenue structure of the company from 2013 to 2015:

Revenue Breakdown	2015		2014		2013	
	Amount	%	Amount	%	Amount	%
Interest Income from Factoring	155,961	81.57	147,824	79.52	171,448	79.95
Fees and Service Income	30,971	16.20	30,371	16.34	33,405	15.58
Other Income	4,260	2.23	7,693	4.14	9,577	4.47
Total	191,192	100.00	185,889	100.00	214,430	100.00

Product and Services

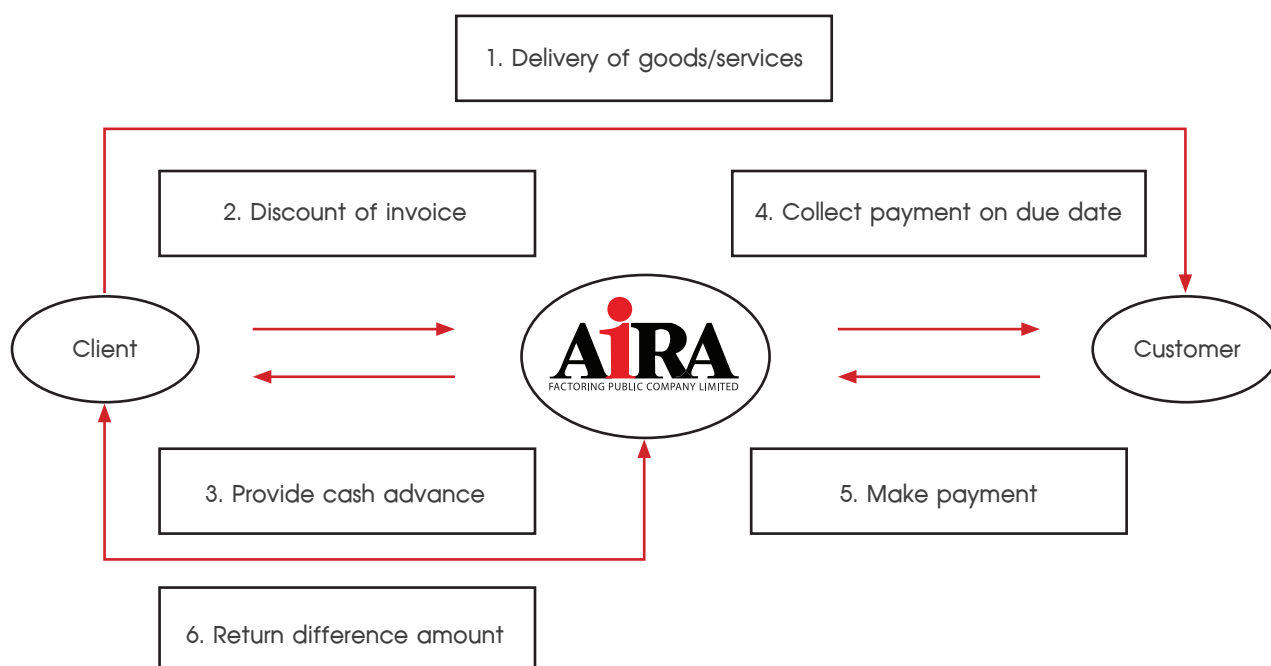
The main operation of the company is servicing clients with factoring.

Nature of Service

AIRA Factoring Public Company Limited (“the Company”) operates the business by offering factoring services to the applicant (“the Client”) or simply the transfer of account receivables rights from the Client to the Company (Domestic Factoring). In exchange for the transfer of rights, the Company finances the short-term cash flow of the Client according to the sales of the discounted account receivables of the Client. The main Clients of the Company are small to middle businesses that are in need of short-term cash to fund their working capital. Most of the Clients are businesses that are growing or planning to expand where factoring would strengthen the financials of the Clients to achieve their target. In order to reduce risk that the Company may sustain from operations, the Company has set up a diversified portfolio of companies in prospective industries. Currently, these companies comprise from industries such as Electronic Equipments and Parts, Telecommunication, Consumer Products, and Health and Beauty industry. The industries mentioned beforehand are large core industries in the economy with clear operations which would benefit the management of risk for the Company and improve future transactions.

In the normal course of business, the Client would offer a credit term to the buyer (“Customer”). In the case that the Client would require a source of fund to help support their working capital or purchase of raw materials, the Client can transfer the rights of their account receivables by selling the documents to the Company. Documents include purchase order, delivery order, and billing. The Company would then lend a discounted sum of around 80% of the documents sold. The credit term limit of the loan is limited at no more than 180 days where the Company would collect the full sum of the documents from the Customer and return the difference between total sum and all fees back to the Client.

Diagram showing the procedure of the Company’s service



Clients and Prospective Clients

The Company's policy is to offer factoring loan to Small to Medium Enterprise (SMEs) with need of financial support. These SMEs operates in industrial, commercial, and servicing business with good business outlook, potential for growth, and expand with the economy. More than 45% of the Clients supply consumer goods to Customer in the Modern Trade business and more than 35% of the Clients supply parts to Customer in the Automotive Parts business. The remaining Clients supply products for large business enterprise both domestically and internationally. The products that Clients deliver to Customer comprise of automotive parts, electronic goods, textile and apparel goods, and food and beverage for instance.

Industrial Condition and Competition

The overall business condition of the factoring industry for 2015 has limited growth which is in accordance to the overall business condition of Thailand for the same period. For the first half of the year, the economy weakened from many factors such as: impact of price of agricultural products that deteriorated household income, the unexpected stagnant growth of the Chinese economy, and the decrease in the global price of commodities lowering the amount of export for Thailand. Thailand's main income, from exports, decreased by 4.8% in 2015 where in previous years, exports contributed to more than 40% of total GDP while government spending towards large prospective projects was delayed. Moreover, household debt accumulated to more than 80% of GDP according to information from the Bank of Thailand. Overall, since the beginning of the year, consumer confidence continuously declined, influencing the revenue of goods and services where directly affecting the factoring. For the second half of 2015, the factoring business gradually improved due to continuous support by the government to stimulate the economy. The government declared 6 measures to help stimulate the economy for the second half of the year which includes:

- (1) Measures to promote the well-being of people with low income and government subsidies into local investments
- (2) Immediate support from monetary and fiscal policies to support Small to Medium Enterprise (SMEs)
- (3) Monetary and fiscal policies to support the real estate sector
- (4) Tax incentive to encourage investment in the country
- (5) Intensive measures for investment by BOI
- (6) Measures to increase confidence for rubber farmers

All of the measure above have been executed in 2015 and will likely have an ongoing effect on the tax measures until 2016.

The Office of the National Economic and Social Development Board predicted that the economy will expand by 2.9% in 2015 where in 2014, the economy contracted by 0.4%. The effect of limited growth in 2015 has both positive and negative impact depending on the industries. These industries include:

- Automotive Industry: For the first 10 months of 2015 (January to October), a total of 1,430,994 cars were produced. Comparing to the same period for 2014, 1,568,300 cars were produced which saw a decrease in production of 8.76%. For the cars produced for the first 10 months of 2015, 1,019,576 cars or 71.25% of the cars produced were for exports in which 60.84% produced for export were pick-up trucks by contract and 39.16% produced for export were family cars. Of the family cars that were produced for export, the most ordered was Eco-car, then cars with engine of 1,201 - 1,500 cc and finally cars with engine of 1,501 - 1,800 cc.

- Electrical and Electronic Industry: The predicted outlook of production for 2015 is expected to decrease by 3.56% when compared to the previous year. The production in the electronic industry is to decrease by 2.98% compared to the previous year concerning products such as semiconductor other IC HDD and printers which follows

the decrease production of hard disk drive. The main reason is the consumer trend to use smart phone and tablets instead of computers where cloud storage and external HDD replace the traditional HDD, therefore, production is not where it use to be. For the electrical industry, the production for 2015 will decrease by 4.13% from the previous year as products such as air conditioner, compressors, microwaves, rice cookers, and television decreased in production. Lower consumer spending and lower export contributed to the decrease of electrical products. Moreover, products such as telephone have moved the manufacturing base to other countries in ASEAN contributing to downturn trend since second quarter of 2015.

- Textile and Garment Industry: For 2015, garments from woven fabric decreased by 4.59% following the decline of the economy. However, the production of knitted garments rose by 9.78% from the previous year due to events such as Bike for Mom, Bike for Dad, and other branded clothing. Moreover, the policy by the Ministry of Tourism and Sport supports for Thailand to be a Sport Hub for the ASEAN community which will improve the economic condition of the Textile and Garment Industry both directly and indirectly.

- Food and Beverage Industry: The outlook for the food and beverage industry has grown by 2.42% from the previous year due to increased production mainly from sugar canes and increased order for livestock. Increased livestock order is mainly due to the production of frozen chicken as neighboring countries fail to meet the standard. Concerning the export, food export decreased by 5.66% mainly from fishing as some of the reasons are: less order is placed by importing country, shortage of raw materials, and the cancellation of GSP forcing the price in Thailand to rise. Moreover, importing countries decreased their demand for Thai products due to the illegal use of labor and illegal fishing according to IUU. Finally, decreasing oil price and slow global growth influenced the steady growth of production.

Source: The Office of Industrial Economics and Ministry of Finance

The Office of the National Economic and Social Development Board predicted between 3.0% to 4.0% national growth for 2016. Therefore, the Company follows an aggressive growth subsequent to the predicted growth in which the targeted growth for the Company will increase 50% from 2015. The company will focus on SMEs with great potential and operate in Thailand with Customers in the following industries: Modern Trade, automotive parts, telecommunication, tourism and service, construction, government and other service. Some of the products in the industry include electronics, food and beverage, paper packaging, electronic parts, and others services (recruitment, security, entertainment and recreation). The Clients will need to have experience in operating the business and must in turn follow the policy set out by the Company to growth sustainably under acceptable risk factors.

Competitors

Since factoring has received more interest by businesses, competition has been fiercer from both banks and other independent factoring company. Since factoring is a financial product, banks will be able to offer factoring to their already vast number of products. Nonetheless, the company will focus to keeping current Clients and expanding to new Clients continuously in industries with excellent prospect and SMEs; companies of this size would require working capital to fund their business.

AIRA Factoring Public Company Limited has more than 19 years of experience in the factoring business where the Company offers quick and flexible service to offer factoring to the clients. Therefore, both Clients and Customer can ensure that the Company will be one of the leader in the factoring business. Currently, there are 15 companies and offer factoring which they can be separated into 3 categories as of follows:

1. Factoring businesses that are banks or have banks as their major shareholder: this group has vast reach towards customer due to the network available for commercial banks as well as low financial cost but credit approval by the bank is difficult as no collateral is present to follow their policy.
2. Factoring businesses that are large retailers or companies in leading industries: this group has vast reach towards suppliers of large retailers and companies in leading industries. The Clients of this group will generally be specialized.
3. Other General Factoring businesses: this group is composed of the most businesses that the other groups and operate in various target of Clients. The group operate with the most flexibility in analyzing the credit of Clients but is restricted by the capital and number of experienced individuals to operate.

Business Goal

The Company targets to be the leading firm that offers factoring services to Clients in order to encourage the development of the economy by offering an alternate source of funds other than traditional financial products by banks. The Company plans to target Clients with a clear and comprehensive direction to develop in the future and SMEs that can strengthen alongside the economy. Moreover, an efficient risk management system, continuous credit analysis of both Clients and Customer, and efficient cost management will help the Company reach the planned target.

AIRA Factoring will intend to operate with good cooperate governance to generate profit and compensation to the shareholders as well as to growth sustainably in the long term.

Competitive Strategy

The Company will focus on maintaining a portfolio of Customers that will cooperate with the Company when confirming the transfer of rights from the Clients to the Company. As the main risk depends on Customer's negligence of the transfer of rights, the Company will be able to avoid such risk with a portfolio of strong relationship between the Company and Customer. To such extent, the Company will request the Customer's acknowledgement of such transfer of rights and to verify the accuracy of the relationship between Clients and Customer.

In addition, the Company prioritizes the expansion of Clients that are supplier of Modern Trade companies and suppliers to Automotive Parts companies since they have good prospect for expansion in the future. To aid their expansion, factoring will become an important tool to help Clients. Shareholders of the Company will also be able to offer different group of Clients who are in need of capital to use factoring services. Moreover, the company has expanded knowledge of the factoring procedure through flyer for potential Clients and the benefits of factoring for Customer if Clients used factoring. The Company will also be able to facilitate ease of credit expansion to facilitate the growth of the Clients, focus on improving the procedure within the Company, and maintain low cost to competitively ensure ongoing business.

Overall, the main advantages that the company posses are:

1. The Company has operated for more than 19 years with vast knowledge in the factoring business.
2. The Company offers factoring service in Thailand to Clients with straightforward business and low risk while having Customers with great reliability and to be able to transfer the right to the Company.
3. The Company has strong shareholders to support both operational and financial aspect as well as consistent backing from the major shareholder.

4. The Company has a standardized and reliable credit administration with a systematic risk management procedure to keep track of Clients to reduce operational risk.
5. The Company ensures to have sufficient information of Clients to manage and offer Clients with business suggestion that would benefit Client's operation. Moreover, the Company offers an easy, fast, and a close-by relationship to operate with flexibility in order to meet Client needs under reasonable condition.

Good Corporate Governance

The Company's Board of Directors has a determined intention to operate under Good Corporate Governance by applying guidelines for Good Corporate Governance and regulations set by the Securities and Exchange Commission. Doing so, will help further develop the organization to be more efficient and set a standard for continuous business growth in the future.

Since 2004, The Company's Board of Directors established a policy for Good Corporate Governance in order to promote good governance with corporate transparency, sense of morality, ethical, and honesty within the organization on the basis of Code of Conduct and practice at work. The policy shall be a guideline for directors, managers, and all staffs of the Company as well as all stakeholders for a sustainable organization.

The Company's Board of Directors established a handbook on the guidelines of corporate governance and Code of Conduct, last revised on 18th December 2012 which has been publicize on the Company's website in Investor Relations.

During 2015, the Company has received an evaluation on corporate governance from the Thai Institute of Directors in which the company has received 3 stars, categorized as good. Furthermore, the Company has practiced according to the 5 categories of good corporate governance, including: Rights of the Shareholders, Equality Treatment of the Shareholders, Role of the Stakeholders, Disclosure and Transparency, and Responsibility of the Boards of Directors following the guidelines established by the Stock Exchange of Thailand. The details are as of follow:

Section 1 - Rights of the Shareholders

The Company has increased the opportunity for shareholders to be more involved and approve of operations in the organization focusing on the practices of the Annual General Meeting (AGM) concerning with (1) the quality of notice for shareholder's meeting (2) the quality of reporting of the shareholder's meeting (3) the role and the attendance of the Chairman and various committees. All of the issues will be addressed in the AGM report for shareholders to acknowledge and shareholders can verify the authenticity via the channels of the Stock Exchange of Thailand or the Company's website within 14 days of the AGM including the meeting day. The Company will also operate regarding shareholder rights by the following matters:

1. Allow an opportunity for shareholders to present issues beforehand between December 3, 2015 to January 31, 2016 and send any questions related to the meeting between March 21, 2016 to April 8, 2016. This matter will notify shareholders through the Stock Exchange of Thailand and announce the method of questioning in the Company's website at www.airafactoring.co.th under Investor Relations then Annual General Meeting
2. Inform the method of voting and method of counting the votes before the AGM along with the usage of the voting card
3. Present director's remuneration in all forms such as: meeting fee, bonus/reward, and other benefits for the shareholder's evaluation annually
4. Present the policy and guidelines on executive's remuneration in each committee for the shareholder's knowledge
5. The Company has allowed for an election of the Company's director by voting for approval individually.
6. In every AGM, the Company has designated an independent auditor to audit the shareholders documents, count the number of shareholders, count the number of votes, and investigate the results in order to confirm the transparency and legal procedure of the Company.
7. The Company's Board of Directors does not hold more than 25% of the stake of the Company.
8. The Company did not add/remove/alter any meeting agenda without informing of such action beforehand for the AGM in 2015. Moreover, the Company has opened up to allow shareholders to offer their suggestions and ask questions in which the detail will be recorded.
9. The Company has facilitated and encouraged all shareholders to attend the meeting by holding the venue near easily accessible locations or close to public transportation for instance.

Section 2 - Equality Treatment of the Shareholders

The Company has a policy to treat all shareholders equally to create true equality even if they are major shareholders, minor shareholders, corporate shareholders, or foreign investors. This can be done by, holding the shareholders' meeting that is accessible to everyone without much hassle, protect the shareholders from being taken advantage, and prevent any shareholder to be solely in control with further matters being as follows:

1. Provide an opportunity for the shareholders to nominate the directors between December 3 2015 to January 31, 2016 by informing the shareholders through the channels of the Stock Exchange of Thailand as well as through the Company's website at www.airafactoring.co.th under Investors Relations then Annual General Meeting
2. The Company has govern the rules for the shareholders' meeting by informing the shareholders through the invitation letter in order to come in person and/or proxy can prepare documents/evidence to legally participate and must not be a problem to participate in the meeting
3. Given the equal right to vote according to the number of shares held
4. During 2015, the transactions in the Company is in accordance to the regulations, sensible consideration, and follows correct monetary transaction that benefit most towards the Company and shareholders in order to prevent any conflicts of interest in accordance to the Stock Exchange of Thailand
5. The Company has attached a Proxy Form B in which shareholders will be able to vote independently and allow a proxy to vote in his/her place in the case that the shareholder cannot attend personally with an invitation to AGM as attachment. The results of the votes will be presented on the Company's website with the availability to download
6. During 2015, the Company arranged 2 shareholders' meeting. The first meeting was the AGM for 2015 which was held on April 20, 2015 with 10 directors present. The second meeting was shareholders' meeting 1/2015 which was held on August 21, 2015 with 7 directors present. In both meeting, the Company has authorized Thailand Securities Depository Co., Ltd., which was the Company's registrar, to deliver the invitation letter of the meeting to shareholders no less than 30 days before the meeting and to broadcast the invitation on the website in both Thai and English no less than 30 days before the meeting to inform the shareholders.
7. The Company's Board of Directors policy against the use of insider information dictates that directors, managers, and staffs will not be allowed to use any opportunity or information to benefit themselves or to compete with the Company or related companies. Moreover, directors, managers, and staffs shall not use insider information to benefit themselves from buying or selling shares of the company or offer this information to outsiders (The Code of Conduct Page 5 Part 4 prohibits directors, managers, and staffs from using insider information before the release of financial statements or the status of the company or other important information and must wait at least 24-48 hours before the release of such information to the public before commencing any transaction of Company's stock. Under the Principles of Corporate Governance Page 3 Part 2 Section 6, prevents the transaction of the Company's stock (Non-Trade Period) for directors, managers, and staffs related to the preparation of the financial statements to be 1 months before the publication of the quarterly and annual financial statement). Nonetheless, the directors and managers must report the assets held at first and any changes to the assets held according to section 59 of Stock and Stock Market Act B.E. 2551 (A.D. 2008).
8. The Company's Board of Directors has specified the guidelines for the directors and managers to report their profit or loss of themselves or anyone related according to Section 89/14 of the Stock and Stock Market Act B.E. 2551 (A.D. 2008) and/or every time there has been a change of information. The information shall be sent to the Company's secretary within 3 days since the date when the transaction happened.

Section 3 - Role of the Stakeholders

Stakeholders of the Company shall be treated fairly in accordance with their legal rights as specified in relevant laws. The Board of Directors promotes and supports the policy in which the treatment of all groups should be fair and clear as follow:

1. Clients and Customers: The Company anticipates this group to receive quality service with fairness in which the practice are of follows:
 - 1.1 Prepare a fair contract with full understanding of the Clients about the service offered by the Company
 - 1.2 Preservation of confidential information of both Clients and Customers in which the information shall not be reveal to outsider unless consent is granted from the Clients or Customers or according to law only.
 - 1.3 Reasonable and careful advice be given to the Clients and Customers for the benefit and reasonable pleasure
2. Creditors and Competitors: In order to strive for sustainable and reasonable growth, Creditors and Competitors (considered as Business Partners), will be practiced fairly according to the conditions of the agreement or legal rights and not practice against ethics and mortality towards Creditors and Competitors
3. Directors, Managers, and Staffs: The most important assets of the Company are the personnel of the organization in which they operate the business to achieve the target. Therefore, the company has put importance in this matter and set practice as follows:
 - 3.1 To build a management system in order to achieve good relationship between managers and staff
 - 3.2 The Company has set distinct guidelines for the recruitment and selection of personnel by matching the job description of positions to match with potential candidates and to follow and evaluate all new recruitments
 - 3.3 The Company encourages the employees to equally train in order to further develop skills for the future by allocating a budget for training and develop a plan for development of employees. The aim of the training is to improve the employee's skill, knowledge, and to share experience in order to eliminate weaknesses from employee's work evaluation. Moreover, the Company will develop a plan to improve the personnel in each of his/her area for the long term to support the growth of the Company in the future so that employees will be able to fully exert their potential
 - 3.4 Retaining employees with knowledge and skill is considered important to the Company, therefore, the follow practices are done:
 - The Company remunerate staffs reasonable according to their qualifications, knowledge, ability, and work experience as well as to increase salary annually by reviewing the performance of the employee by measuring the Key Performance Indicator (KPI) of individual employee and the department
 - The Company provides welfare for staffs including accident insurance, life insurance, health insurance, and medical expenses additionally to Social Security in order to reduce the burden of the employees. Moreover, the Company offers health check-up once a year for the employees and other welfares such as wedding benefits, funeral cost, and seminars for staffs
 - The Company provides provident fund for staffs with more than a year at the Company
 - 3.5 Regarding the Succession Planning policy of managements to fulfill corporate expansion or reexamination, such policies are well prepared for further expansions.

4. Methods of Participation of Stakeholders

Any stakeholders of the Company can use the following channels to contact the Company regarding information, public news, or other issues by the following channels:

- Telephone : Contact Investor Relations at 0-2657-6222
- Website : www.airafactoring.co.th
- Send a mail via post or submit directly to the Company's secretary at

AIRA Factoring Public Company Limited, 319 Chamchuri Square, 20th Floor, Payathai Road, Pathumwan, Bangkok, Thailand, 10330

Any queries, complaints, or recommendations will be forwarded to the related departments for correction and improvements. During the year 2015, the Company has not received any disputes with regards to stakeholders.

5. The Company sets the policy and outlined guidelines that will support anti-corruption relating to receiving or giving or other benefits that will lead to unlawful actions at work that will lead to disputes, thus, the Company will inform all of the Clients of such policies and guidelines.

Section 4 - Disclosure and Transparency

The Company places importance on publicizing transparent complete information of the Company in the correct matter and in reasonable time frame. Such information includes the shareholder structure of the Company, the means of operations and the financial statements, the business policy, and auditing and control by different means of communication.

For 2015, the Company has operated accordingly to the criterion of the ASEAN CG SCORE CARD as of follows:

1. Improve the Company's information through the Company's website in order for the stakeholders and other parties to access such information including the revelation of business guidelines and good corporate governance in accordance with the law and order of the Securities and Exchange Commission (SEC)
2. Produce and deliver financial statements promptly to the Securities Exchange Commission/Stock Exchange of Thailand in the given time frame without any issues concerning the financial statements to be anything other than Unqualified
3. Disclose complete information in the annual report and the website of the Company including information such as the financial statements, corporate governance policies and code of conduct, corporate social responsibility policy, nature of business, annual report, annual report presentation form, shareholders' meeting report, names of the major shareholders, announcement to Stock Exchange and other publications.
4. Appoint an Investor Relations department as a means of communication with the Company
5. Disclose the remuneration guidelines for directors and executives in the annual report
6. Disclose information regarding the directors and executives stake in the company by specifying the guideline for directors and executives to report as follows:
 - 6.1 Directors and executives, including any related parties, shall report their changes in profit or loss from the transaction of the Company's share or changes any other changes in which a report must be sent to the secretary of the Company within 3 days after such transaction or changes
7. No record of revision for the financial statement from the Stock Exchange of Thailand and Securities Exchange Commission
8. The appointment of the Company's auditor with the approval from the Annual General Meeting in 2015 in which the auditor must not have any conflict of interest with the guidelines of the Stock Exchange of Thailand. The auditing fee for 2015 is equal to THB 850,000 which is an increase of THB 20,000 from the previous year without accounting for other non-audit fee. The Company's auditor shall not have any relationship or interest with the Company, executives, major shareholders or any affiliates with previously mentioned persons.
9. The Company's financial statement shall receive an unqualified approval by the auditor
10. Disclose information of the directors and executives in the Company's website as well as indicating the name, position, education, shares held, work experience and a picture
11. The relationship with the investor

The senior management and executives has placed great importance towards investors as the investor relations department was commence since the Company registered into the Stock Exchange of Thailand in order to

publicize all general information towards shareholders, investors, analyst and the general public. Information published includes information that has an affect towards the Company's stock price, publications and news that are required by the guidelines of the Stock Exchange of Thailand and the Securities Exchange Commission. Such information will be distributed and publicize from many channels including channels of the Stock Exchange of Thailand, telephone and email towards the investor relations department of the Company, as well as through the Company's website at www.airafactoring.co.th which is continuously updated in the part of the financial statements, annual report, and presentations of instance

Section 5 - Responsibility of the Board of Directors

The Company places importance in the role and the responsibility of the directors in order to maintain the interests of the shareholders and stakeholders in areas such as the strategy of the organization, evaluation of the operations, and proceed to operate the business with transparency. However, for the operations during the year 2015, the Board of Directors has improved the corporate governance guidelines in order to be in accordance with the guidelines of the ASEAN CG SCORE CARD with the following issues:

1. The Company's Board of Directors has arranged the Nomination and Remuneration Committee to nominate an individual for a vacant position on the Board of Directors by considering applicants from their profession, expertise, skills, and knowledge in order to maintain the sustainability of the Company's operations. During 2015, the Company's Board of Directors did not appoint any additional member. The current members of the Board of Directors is composed of 10 members, of which 4 are independent members and none of the members are from Company's management. Currently, the Board of Directors is fully occupied and none of the members are in the Board of Directors of more than 5 registered companies

2. Define and disclose the process of appointing a new director:

The process of appointing a director focuses on transparency in choosing and electing a director of the Board of Directors in which the Company's policy places importance on giving the rights to the shareholders to suggest a potential candidate. The Nomination and Remuneration Committee will screen for the right qualifications and suitability of the candidates in the case when any director's term expired or resign from the position where later, the shareholders will confirm the potential candidates as director.

Qualification of the Directors

The person who takes the position of director shall be a person with knowledge, ability, and readiness to take the position as well as the following points:

- 2.1 The potential director must be qualified and must not have any nature that goes against the Law of Public Companies as well as any nature that shows a lack of confidence to manage the Company in the shareholders' stead according to the Securities and Exchange Commission
 - 2.2 The potential director must be knowledgeable, skillful, or experienced in accordance with the operations of the Company
 - 2.3 The potential director must fully dedicate themselves, especially on making important decisions, for the interest of the Company, and to attend meetings of the Board of Directors and shareholders' meeting unless of unprecedented circumstances
 - 2.4 The potential director must have morality, ethics, and other qualifications according to the law or the suitability of a director
3. Establish the policy of the minimum number of directors present at any meeting of the Board of Directors to be at least two-thirds of all the directors

4. In order to efficiently operate the business, the Company's Board of Directors has set the maximum number of listed companies in which a single director can be part of the Board of Directors to no more than 5 listed companies
5. Establish channels of communication for suggestions and recommendations, and clues of illegal activities in which employees and any persons of interest can freely communicate directly or send a mail to the Company's secretary
6. In order to operate with seriousness, the Company has subjected the Code of Conduct to be a tool for good discipline in which the directors, managers and all employees shall strictly practice otherwise, any breach of the Code of Conduct will be considered as bad discipline according to the regulations of administration
7. Establish the policy on conflict of interest in the code of conduct in order to prevent actions leading to personal benefits
8. No records of any actions that goes against the regulations of Securities Exchange Commissions or the Stock Exchange of Thailand
9. The chairman of the Company's Board of Directors must not be the same person as the Chief Executive Officer and appoint an independent director to be the Chief of Audit Committee and Chief of the Nomination and Remuneration Committee
10. The Company's Board of Directors has appointed sub-committees including: Audit Committee, Nomination and Remuneration Committee, Executives Committee, and Credit Committee in which each committee's authority is clearly indicated (Addition information under Committee Structure)
11. Every year, the Company's Board of Directors has reviewed and approved the Company's vision and mission in order to create a target for the Management and staff to operate in the same direction with Management and staffs to have the following participation:
 - 11.1 The establishment of the vision, mission, objectives, business plan and the Company's annual budget is open to discussion between the Company's Board of Directors and the Senior Management of the Company in order to coordinate the direction of the organization
 - 11.2 Establish a regular review and control of the Management to operate according to the intended direction and plan
 - 11.3 Give recommendations, comments, and the direction of the Company's Management in order to create a clear business plan in accordance with the Company's targets
 - 11.4 Communicate the policy, targets, and the Company's direction to all employees through activities. The Chief Executive Officer should meet the employees at least 2 times per year in which the Chief Executive Officer will announce
12. The Company's Board of Directors has created an internal control system covering the accounting department, operations department, and management department in accordance with the law, rules and regulations. Moreover, the Company's Board of Directors has created a risk management department along with an internal auditing department to efficiently balance out the risk in order to protect, retain, and take care of assets. The senior director of the Company has assigned Ms. Somjai Amornchainoppakun to be an independent auditor of the Company who reports directly to the Audit Committee, prepare a quality report on important issues to the Audit Committee, and construct a clear policy to manage risk
13. The Company's Board of Directors oversees that the Company has an efficient management of risk in which risk is managed regularly. Therefore, a risk management department was established to thoroughly evaluate the risk factors that would affect the operation and the operational target both qualitative and quantitative as well as any suggestions that would protect and be alert to the risk from the current situation. The risk management department would also evaluate the risk factors that would affect the management. The department would report to the Board of Directors concerning any issues related to risk management

14. The Company's Board of Directors has established the meeting schedule in advance for the Board of Directors' meeting and sub-committee meetings in which the Board of Directors' meeting shall be held at least once every 3 months with an additional meeting when the occasion rises. In each of the meeting, the meeting agenda is clearly stated including the agenda to be considered, acknowledge, debate, and commented in which all related documents will be delivered 7 days prior to the meeting giving directors enough time to study the information before attending the meeting. The meeting will have enough time for all directors to freely comment in which the chairman will conclude the comments and key results of the meeting. The results of the meeting will be recorded in the minutes of the Board of Directors' meeting by the Company's secretary and after approval, the minutes will be kept in the files of the legal department (See the table of Directors' Remuneration)
15. The Company's Board of Directors and Nomination and Remuneration Committee has established an evaluation to measure the performance of the Senior Management every year by using Key Performance Indicator (KPI). The performance of the Senior Management will be compared to the KPI set by the Company in which the performance will be linked to the remuneration received according to the criteria set by the Nomination and Remuneration Committee. For the Chief Executive Officer, the remuneration will be evaluated annually by the Nomination and Remuneration Committee in which the determined remuneration will reflect the operations of the Company and will be compared to the performance of other companies in the same business (See the table of remuneration of management)

16. Directors and executives development

16.1 Directors Orientation

The Company's Board of Directors has established the orientation for all directors in order to acquire knowledge about the business and the different operations of the Company in order to prepare themselves in the role of the Company's director. At the same time, the Company's Board of Directors will acquire new knowledge in new aspects such as management and environment of the industry in order to help directors operate with full potential along with quickly understanding the type of business and the operations of the Company. The Company's secretary will coordinate in the following matters:

1. The issues that directors should know includes the business structure, board structure, and the authority given as director
2. General information of the business and the direction of operating
3. To coordinate meetings between new directors and Chairman of the Board of Directors and Chief Executive Officer in order to ask questions related to the operation of the business

16.2 Knowledge Development

The Company supports the directors and management to attend seminar programs that would benefit the duty of directors and management. The Company's secretary will coordinate with the directors to attend Thai seminar programs for directors which include: Directors Certification Program (DCP), Directors Accreditation Program (DAP), and Audit Committee Program (ACP). For 2015, the Company supports the following directors and management to attend seminar programs:

Seminar Programs that Directors and Management Attend in 2015		
Name of the Director that attended	Position	Seminar Program Attended
1. Mrs. Yajai Pattanasukwasun	- Independent Director - Audit Committee - Chairman of the Nomination Committee	Advance Audit Committee Program No.21/2558
2. Mr. Samchai Benchapathomrong	- Executive Director - Chief Executive Officer	Directors Certification Program No.218/2558

17. The Company's Board of Directors has established a policy on the evaluation of the Board of Directors and the sub-committees by evaluation themselves to jointly solve problems leading to a better development
18. Establish a succession plan for the position of Chief Executive Officer and Managing Directors in order to be confident that the Company have enough Management positions that are knowledgeable and talented to operated their roles with the following criteria:
 1. The Company's Board of Directors has established a development plan for the Management in order to succeed the position of Chief Executive Officer and Managing Directors
 2. Nomination and Remuneration Committee will consider the knowledge, competency, and experience in each of the positions in order to select the Management that matches with the qualification set in order to succeed the different positions of the Company
 3. The Chief Executive Officer will evaluate the performance, knowledge, and capability of the Management comparing to the required level and establish a development plan to reduce the competency gap
 4. Assign the Human Resource Department with the duty to look after and follow the seminar programs and knowledge development of the successor in the position of Chief Executive Officer and Managing Director
 5. Nomination and Remuneration Committee will review and summarize the establishment of the succession plan of the Chief Executive Officer and Managing Director towards the Board of Directors once a year
19. The Company's Board of Directors has established the policy for the Nomination and Remuneration Committee to nominate a director that is needed by considering the occupation, professionalism, skills, and knowledge that are important in the operations of the Company in order to strengthen the Company's position. In 2015, the Company's Board of Directors did not nominate any additional directors as the maximum capacity of the directors consist of 10 members in which 4 directors are independent directors and none of the directors are from Management.

The Company's Board of Directors has established and disclosed the method to nominate a new director in which the Board of Directors focuses on transparency to nominate and select individuals to become a director. The Company's policy is to give the rights to the shareholders to nominate a potential candidate to become a Company's director. The Nomination and Remuneration Committee will evaluate the potential candidates in the circumstance that the current director's term expired or a director resign and present to the major shareholder (AIRA Capital PCL). The presentation to AIRA Capital PCL is according to the Articles of Association of AIRA Capital PCL Section 7 Article 56 on the issue of directing and managing subsidiaries of AIRA Capital PCL. The nomination of the candidates shall be approved by the shareholders with the following candidate's qualification"

Qualification of the Director:

The person who takes the position of director shall be a person with knowledge, ability, and readiness to take the position as well as the following points:

1. The potential director must be qualified and must not have any nature that goes against the Law and Public Companies as well as any nature that shows a lack of confidence to manage the Company in the shareholders' stead according to the Securities and Exchange Commission
2. The potential director must be knowledgeable, skillful, or experienced in accordance with the nomination of the Nomination and Remuneration Committee of the Company
3. The potential director must fully dedicate themselves, especially on making important decisions, for the interest of the Company and to attend meetings of the Board of Directors and shareholders' meeting unless of unprecedented circumstances
4. The potential director must have morality, ethics, and other qualifications according to the law or the suitability of a director

20. The Company's Board of Directors prepared the appraisal of the Chief Executive Officer at the end of every year in which the Nomination and Remuneration Committee will be the appraiser and proceed to present to the Board of Directors the corresponding compensation. Anyhow, the appraisal of the Chief Executive Officer is confidential and thus, will not be disclosed. The criteria for evaluation of the Chief Executive Officer is divided into 2 parts:
- Part 1: Evaluate from performance statistics of the Company's operations
 - Part 2: Evaluate from leadership skills, team building, communication skills, focusing on success, management skills, and changes in which the evaluated criteria will be used to consider the increase of compensation for the Chief Executive Officer in which the Board of Director will need to authorize
21. The Company's Board of Directors has assigned another charter role to the Audit Committee to appoint and dismiss the Company's Auditor (The annual report of the Audit Committee)
22. Regarding the development of the employees, the Company's Board of Directors has a policy to develop the skills of all employees in order to support the growth of the Company for the future by sending employees to increase their knowledge, skills, and ability in order for the employees to be the main mechanism to develop the Company towards achievements

Anti-Corruption Policy

The Company's Board of Director determines to develop the organization sustainably with full transparency, good governance and social responsibility. On 9 March 2015, the Company declared its intention to join the Collective Action Coalition of the Thai private sector with the purpose of anti-corruption. The coalition combines the government sector, civil society, mass media and international organizations in order to create a standard business environment with transparency according to virtue and morality to go against corruption in every form.

Action Plan 2016:

- 1.1 To evaluate the risk from corruption within the Company by introducing anti-corruption policy, method of practice at work, and a handbook or direction for executive and staffs to operate.
- 1.2 To create and announce an Anti-Corruption Policy
- 1.3 To communicate towards executives and staffs on understanding the reason and method of practice to prevent every form of bribery



Corporate Social Responsibilities

C S R

Corporate Social Responsibilities : CSR)

Community and Society Development

The Company intends to continue the business with respect to the society, by striving to further develop the community an obeying rules, regulations, and code of conduct such that all parties receive respect and fairness. This will be mainly done through participation with both close and distant communities through different activities in accordance with the policy of the Company to sustain the development of the community's wellbeing.

Guidelines

1. Promote the participation of the community
2. Focus on education, culture, ethics, and religion
3. Create employment and employability
4. To be healthy
5. Investment to the Society

The results of 2015

In order to support the policy stated above, for the year 2015, the Company intends to operate the organization while developing the society by allocating a budget from the Company's revenue in order to facilitate the activities through ongoing organizations and/or donation towards charities and foundation for example.

For the year 2015, the Company has organized the following development to the society:

The Kathin Project

Accumulate funds for the Kathin Project to deliver to Kok-Phra Monastery at Nahinlad District, Bangplee Prefecture, Nakonayok Province, Thailand on November 8, 2015.

Purpose of the Project

The purpose of the project is to collect donations in order to renovate and restore the ceremony hall of the monastery which is used in various ceremonies. The ceremony hall has previously received damaged from extended use and natural events in which the Company's executives and staffs have decided to help.





Action Plan for 2016

The Company focuses and promotes the participation of the employees to deliver happiness to the community through outdoor activities and doing positive actions such as promoting morality, national and local community traditions in order to sustain the development of people's quality of life and the community.

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.

The Office of Risk Management is also responsible for the monitoring of credit risk as well as other risks affecting the company from both internal and external factors. Monitoring all types of risk and being well prepared to handle them is the most important aspect for corporate sustainability. Communications between departments are prioritized in order to keep risk at an acceptable level. During 2015, the Company modified the Office of Risk Management to be Risk Management and Debt Recovery Department to which the department is assigned 2 additional roles including initial debt screening and debt recovery. Thus, the Risk Management and Debt Recovery Department is comprised of 3 roles including 1.Risk Management, 2.Initial Debt Screening, and 3.Debt Recovery.

To invest in the securities of the Company, 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 transfer 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 2013, 2014 and 2015, the Company's bad debt (overdue for more than 6 months) is just only 1.62%, 3.17% and 2.86% 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. products that are not easily out dated or products 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 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 2,676 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 2013, 2014 and 2015, the proportions of liabilities to equity are equal to 7.13, 6.43 and 3.17 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, Jiratiwat 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 9.74% and most are clients who have been in contact 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 2014 and 2015, the proportion of income the Company gained from top 10 clients are 30.17% and 30.66 % 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 at 2014, the Company has outstanding amount of the clients in such industries (4 clients from top 10 clients) 486.92 million Baht in total or equal to 16.68% of the proportion of outstanding debt. The value of outstanding debt of clients from such industries (2 clients from top 10 clients) is 233.90 million Baht in total or equal to 8.31 % of the outstanding clients for the year ended 31 December 2015.

Dependence on major clients in 2014 and 2015, the Company has outstanding debt of top 10 clients equal to 55.20% and 58.12% 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 (5 clients from top 10 clients) equal to 1,196.58 Million Baht, or equal to 41.00% of the outstanding debtors for the year ended 2014 and the amount of (6 clients from top 10 debtors) 1,258.52 Million Baht or 44.70 of the outstanding debt for the year ended 2015. The Company depends on one major debtor in the retail industry with outstanding debts of 26.87 % and 28.14% of outstanding debts of the debtors at the end of 2014 and 2015 respectively.

However, the Company has a policy to operate business by specifying more targeted clients of medium and small sizes. As regards to 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 for the Company to 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 risks from interest rate fluctuation dose not significantly affect the Company's operation.

6. Risk from competitive

At present, there are approximately 15 factoring businesses and businesses with similar operations 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 1,144,751,099 or 71.55 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 58,807,200 or 3.68% of the paid up capital of the Company, resulting in their control of the shareholders' 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 with the majority shareholders (Information on the list of shareholders from Thailand Securities Depository Company Limited as at 30 December 2015)

However, the Company has appointed 4 independent directors, that 3 of them are 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.

Major Changes and Developments of the Company

Company Background:

AIRA Factoring PLC (“AF” or “the Company”), formerly known as Dhanamitr Factoring Plc. was incorporated on January 6, 1997 with a registered capital of THB 20 million through a joint venture between Central Retail Corporation Ltd., holding 50%; the Siam Commercial Bank Plc. group, holding 38% and another 12% by minor shareholders. The objective of the Company is to provide factoring services. On March 2, 2004, the company registered from limited company to public limited company and consequently registered into the Market for Alternate Investment (MAI) in August 2004. Listing the Company on the MAI allowed the company to issue an additional 4 million shares, equivalent to a total share capital of THB 100 million composed of 20 million ordinary shares.

Then, on February 25, 2011, two of the major shareholders; the Chirathivat Group and Siam Commercial Bank PLC group had disposed of the Company’s 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. On September 2011, the Company had raised its registered capital from THB 100 million to THB 200 million and registered the change of the Company name from “Dhanamitr Factoring PLC” to “AIRA Factoring PLC”.

Additionally, on the August 25, 2015, the Company altered the value of the Company’s share by splitting the value from THB 5.00 per share to THB 0.25 per share. During the same year on September 30, 2015, the Company increased the registered capital from THB 200 million to be THB 400 million composed of 1,600 million ordinary shares.

Important development and changes for the last 5 years

2011 February: two of the major shareholders; Chirathivat Group and Siam Commercial Bank PLC have disposed of the Company’s ordinary shares to AIRA Capital PLC in the amount of 11,470,200 shares equivalent to 57.35% of the Company. Later on, both Summit Corporation Ltd. and AIRA Capital PLC acquired an additional 22.72% of the Company in which the previous shareholders supported the Company’s operation as a business partner for 3 years after the sales of the shares.

September: The Company increased the registered capital from THB 100 Million to THB 200 Million and renamed the Company’s name from “Dhanamitr Factoring PLC” to “AIRA Factoring PLC”.

2013 February: The shareholders’ structure of the Company changed as Summit Corporation Ltd. sold 6,420,000 shares equivalent to 16.05% of the Company to AIRA Capital PLC resulting in AIRA Capital PLC holding a total of 29,607,617 shares equivalent to 74.019% of the Company.

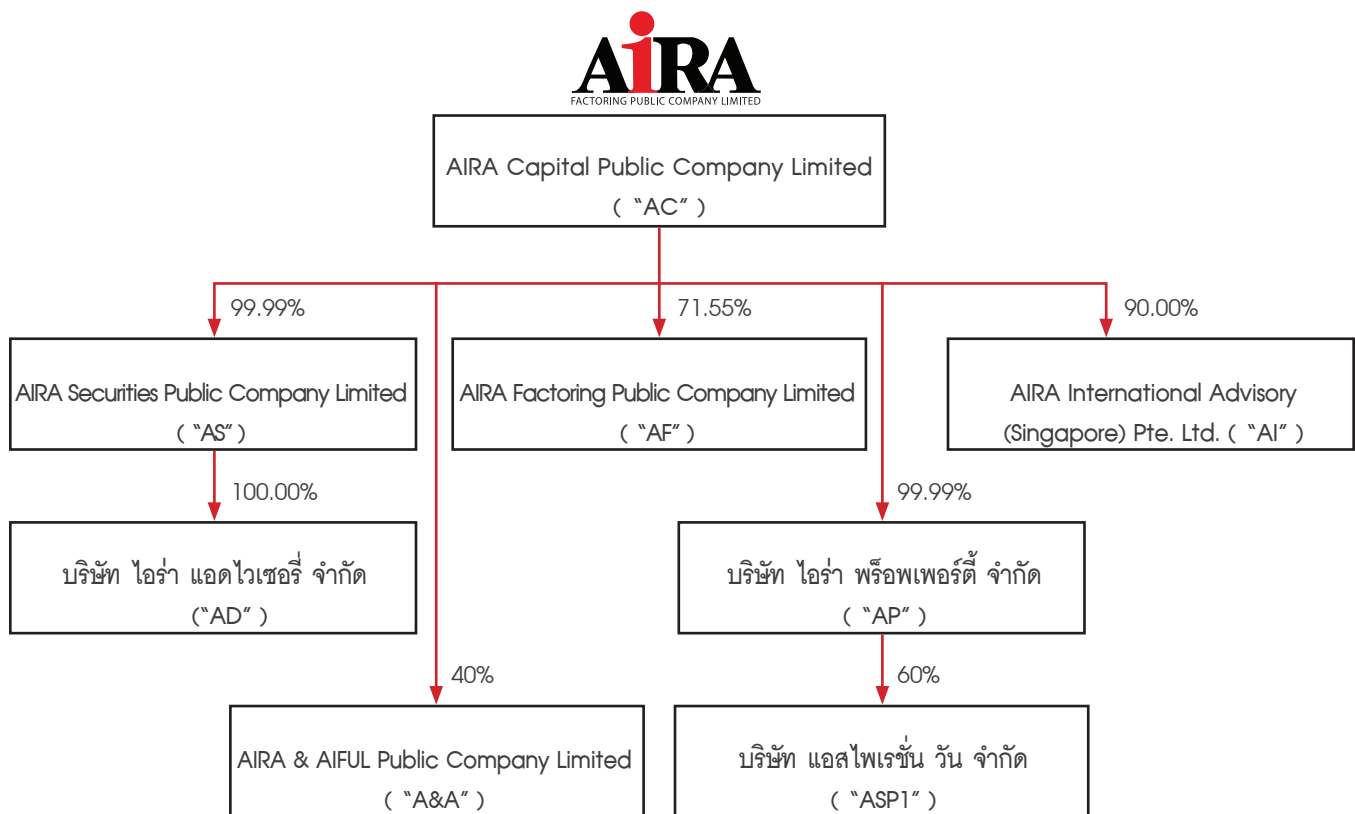
April: The Company moved the headquarter from 444 Olympia Thai Tower, 6th Floor, Ratchadapisek Road, Samsennok, Huaykwang, Bangkok, 10320 to 319 Chamchuri Square, 20th Floor, Phayathai Road, Pathumwan, Bangkok 10330

2015 August: The Company changed the value of the Company’s share by splitting the value from THB 5.00 per share to THB 0.25 per share.

September: Increased the registered capital from THB 200 million to THB 400 million.

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 71.55% of the Company's paid up capital. AIRA Capital has JRK Holdings Co., Ltd. As a major shareholder holding shares equal to 36.87% of paid up capital. The structures of major business are as follows;



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

Major Shareholders

The list of the top 10 Major Shareholders as at 30 December 2015.

Rank	Major Shareholder	Number of Shares	Percent of Total Shares (%)
1.	AIRA Capital Public Company Limited	1,144,751,099	71.547
2.	Mr. Kulawut Viratmalee	68,948,300	4.309
3.	Mrs. Piyaporn Vichitpun	62,628,000	3.914
4.	Mr. Wiwat Kongkasai	58,141,100	3.634
5.	Summit Corporation Company Limited	46,672,000	2.917
6.	Mr. Kunakorn Makchaidee	20,000,000	1.250
7.	Mr. Puchong Viratmalee	20,000,000	1.250
8.	Mr. Prachya Mongkolkul	15,469,700	0.967
9.	Mr. Thaveechat Jurangkool	12,135,200	0.758
10.	Mr. Somjai Arpornsi	11,698,200	0.731

Note: Mr. Thaveechat Jurangkool is both a director and shareholder of Summit Corporation Company Limited but is not considered to the same group.

Foreign Investment Limited

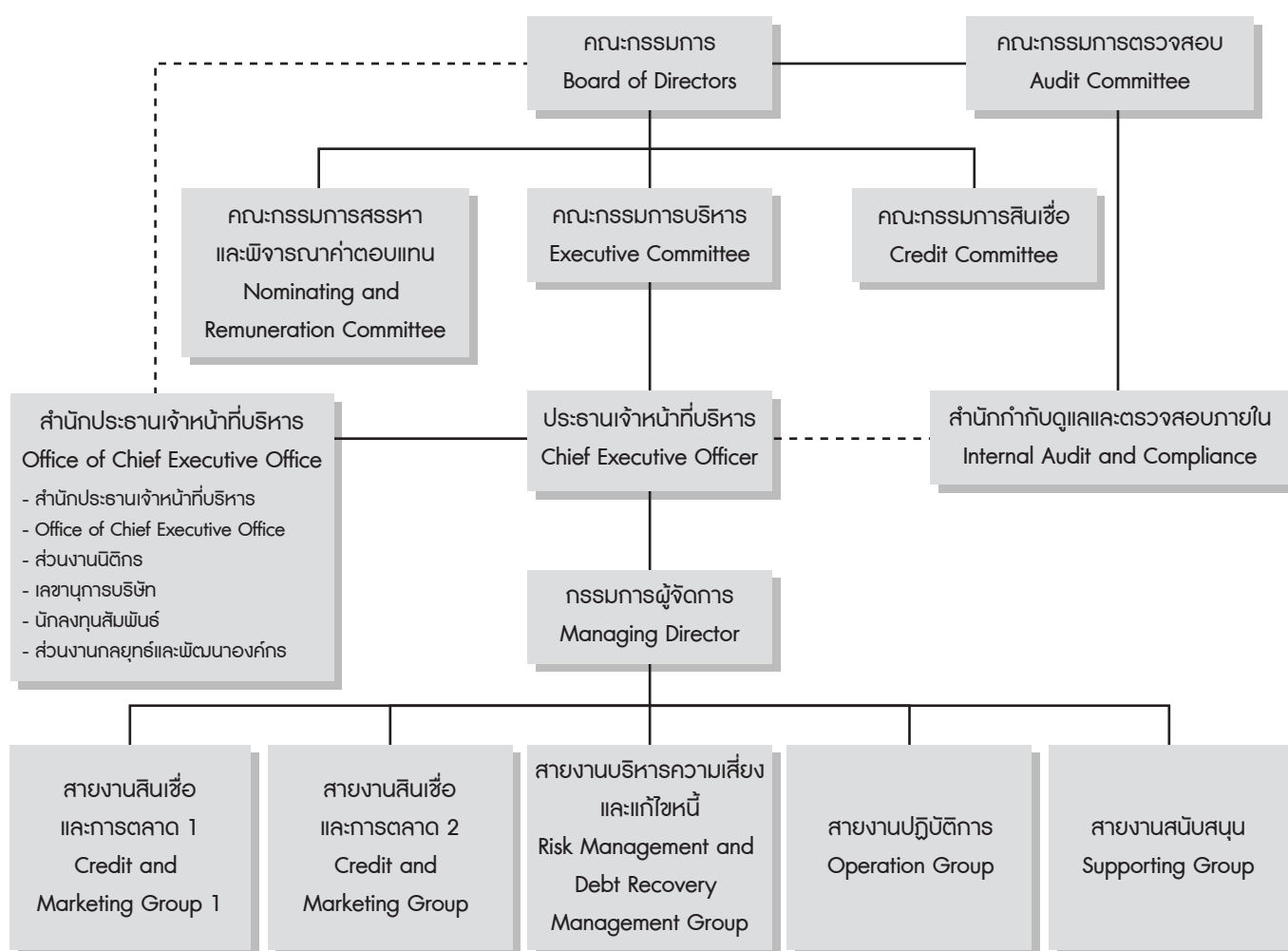
Foreign investors cannot hold exceeding 49% of the total shares. As at 30 December 2015, there was no foreign investor in the company, equivalent to 0% of the total shares.

Organization Chart



แผนผังองค์กร (Organization Chart)

บริษัท อีรา แฟคตอริง จำกัด (มหาชน)



Management Structure of the Company

The Company's management structure consists of 5 groups of committee which are the Board of Directors, Executive Committee, Audit Committee, Nomination and Compensation Committee, and Credit Committee with the names and authority as follows:



Mr. Sorasit Soontornkes
Chairman of Board of Directors,
Independent Director



Mrs. Jantima Sirisaengtaksin
Director, Chairman of Audit
Committee, and
Independent Director



Mrs. Ladavan Tanatanit
Director, Chairman of Executive
Committee, and Authorized
Director



Mrs. Naline Ngamsetthamas
Director, Nomination and
Compensation Committee,
Executive Committee, and
Authorized Director



Mr. Wutthiphum Jurangkool
Director,
Executive Committee, and
Authorized Director



Mrs. Yajai Pattanasukwasun
Director, Chairman of Executive
Committee, and Authorized
Director



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



Mr. Kunakorn Makchaidee
Director



Mr. Visit Wongrumlap
Director and Chairman of Credit
Committee



Mr. Wiwat Kongkasai
Director, Executive Committee,
and
Authorized Director

1. The Board of Directors

As at 31 December, 2015, the Company's Board of Directors comprises of 10 members as follows:

Name	Positions	Board of Directors	
		Total Meeting	Total Meeting (Times)
1. Mr. Sorasit Soontornkes	Chairman of Board of Directors, Independent Director	6	5/6
2. Mrs. Jantima Sirisaengtaksin	Director, Chairman of Audit Committee, and Independent Director	6	6/6
3. Mrs. Ladavan Tanatanit	Director, Chairman of Executive Committee, and Authorized Director	6	6/6
4. Mrs. Naline Ngamsetthamas	Director, Nomination and Compensation Committee, Executive Committee, and Authorized Director	6	6/6
5. Mr. Wutthiphum Jurangkool	Director, Executive Committee, and Authorized Director	6	4/6
6. Mrs. Yajai Pattanasukwasun	Director, Audit Committee, Chairman of Nomination and Remuneration Committee, and Independent Director	6	6/6
7. Mr. Poonsak Thiapairat	Director, Audit Committee, Nomination and Remuneration Committee, and Independent Director	6	6/6
8. Mr. Kunakorn Makchaidee	Director	6	6/6
9. Mr. Visit Wongrumlap	Director and Chairman of Credit Committee	6	6/6
10. Mr. Wiwat Kongkasai	Director, Executive Committee, and Authorized Director	6	6/6

Ms. Kittakarn Pakham: Secretary to the Board of Directors

Authorized Director

The Authorized Directors comprise of 4 members including Mrs. Ladavan Tanatanit, Mrs. Naline Ngamsetthamas, Mr. Wiwat Kongkasai, and Mr. Wutthiphum Jurangkool in which 2 of the 4 directors must jointly sign together with the stamp of the Company's seal.

Scope of Authority and Responsibility of the Board of Directors

The Company's Board of Directors is responsible towards the shareholders in terms of the Company's business and to align the Company's operation and target in order to maximize the interest of the shareholders while under the influence of good morality and all stakeholders' interest.

The Company's Board of Directors is responsible to operate under law, the Company's objective, Article of Association, and resolutions of the Annual General Meeting with honesty, integrity, and the interest of the shareholders both at present and future. The Company's Board of Directors will also operate according to the rules and regulations of the Securities Exchange Commission and the Stock Exchange of Thailand (No. 4) 2008.

In order to operate according to previously stated, the Company's Board of Directors has appointed Chief Executive Officer to be responsible for the operations of the business.

To be in accordance with good Corporate Governance of the Company, the Company's Board of Directors has define the following issues to be in the authority of the Company's Board of Directors to be responsible:

1. The policy, direction of operation, target, plan, and budget of the year for the Company
2. Any transactions or actions that will significantly affect the financial status, Company's liability, Company's business operation, and the reputation of the Company
3. Payment of Interim Dividend
4. Provide a means of accounting, financial presentation, auditing, and internal control in which is efficient and effective
5. Altering policies and the Company's operation in which will affect accounting, risk management, and internal control.
6. Monitor and manage conflict of interest in any related transactions that may arise
7. Establish a comprehensive method of risk management and systems or procedure for the Management to manage such risks
8. Establish a channel of communication towards different groups of shareholders and any stakeholders of the Company
9. Disclose complete quality information with correctness, transparency, and reliability
10. Supervise the administration and management of the Board of Directors to be in accordance with the assigned policies with the case of the following exceptions which will need to be approved in the shareholder's meeting before initiation: increase of capital, decrease of capital, issuance of debentures, selling or transferring all or part of the Company's important business operation which includes personnel, buying or transferring other companies' business operation to be of the Company's, altering the Company's memorandum or rules and regulations, and etc.
11. The Company's Board of Directors must arrange a shareholders' meeting, an Annual General Meeting, 4 months after the end of the financial year
12. The directors of the Board of Directors must hold a meeting at least once every 3 months
13. The Company's Board of Directors has the authority to assign or alter the Authorized Director for the Company
14. Nominating or ending the status as director, secretary of the Company, and secretary of the Company's Board of Directors
15. Approve the budget for increase in salaries, bonuses or bonus calculation, and compensation calculation for the year of the Management and employees
16. Establish and altering the approve authority of the Directors, Chief Executive Officer, Managing Directors and the Management

17. Assigning or changing the authority of the Chairman, Chief Executive Officer, or the Company's Director which must not be conflict with the regulations of the Securities Exchange Commission and Stock Exchange of Thailand
18. Establishing and assigning the authority of Directors in sub-committees of the Company
19. Provide and supervise the Company's management to be accordance with good corporate governance
20. Improving, changing, and modifying the Company's organizational structure
21. Operating other issues to be in accordance with the law, objectives, rules and resolutions of the Company's shareholder's meeting
22. The Company's Board of Directors has the duty to strictly protect and keep any information confident especially any information which are not to be disclosed to the public or any information that would impact the Company's business or stock price. In the case of disclosing information related to the reports of operation for the year, annual reports, or annual financial statements, the Directors are prohibited to trade the Company's stocks for 30 days after the disclosure of such information to the public. Disclosure of information related to the sales of assets, joint or disjoint of corporate investment, increase or decrease capital for debentures, shares buy back, pay or not to pay dividend, or any issues that would have an effect on the stock price for example.

2. Executive Committee

As at December 31, 2015 the Executive Committee of the Company is comprised of 6 members as follows:

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

Ms. Kittikarn Pakham: Secretary to the Executive Committee

Scope of Authority and Responsibility of the Executive Committee

The Company's Executive Committee has the authority, role, and responsibility to manage the operations of the Company in which is normally engaged including the establishment of the policy, business plan, budget, the Company's organization structure, the authority to manage other issues, and to manage the Company according to the economic environment in which the issues will be presented to the Board of Directors' meeting to be considered and approved. The Executive Committee will also monitor and track the operations of the Company according to the policy in which the authority and responsibility of the Executive Committee is as of follows:

1. Operate and manage the Company according to the objective, regulations, policies, regulations, orders, and resolutions of the Board of Directors' meeting and/or the resolutions of the shareholders' meeting
2. Consider the policy, direction, strategy in order to operation the business, setting financial plan, and budget to present to the Board of Directors' meeting as well as to supervise and control that the operations of the Directors go according to the target set
3. Consider the allocation of the budget for the year following the presentation from the Management in which the Executive Committee will present the final results to the Board of Directors later
4. Posses the authority to consider and authorize the payment of the normal operations of the Company
5. Authorize the important investment that was indicated in the annual budget that was approved by the Company's Board of Directors or following the principles of the Board of Directors that was previously approved
6. Posses the authority to consider and approve the factoring loans or any loans of the Company under the authorize guidelines of factoring loans of the Company
7. Posses the authority to consider and approve the sourcing of finance, debt restructuring, or the issuance of debt instruments. Other issues such as guaranteeing, offering collateral in terms of cash or loans, or seek for any loans for the Company will need to be presented to the Board of Directors' meeting
8. The Company's Executive Committee will give advice to the related departments on the finance policies, marketing policies, human resource, and other operations
9. Other operations that the Company's Board of Directors established from time to time in which the authority can be given to other individuals. Cases that the Executive are not given authority or cannot pass on the authority are those with conflicting interest with the Company or subsidiaries of the Company that is in accordance with the guidelines of the Stock Exchange of Thailand. These cases will need to be presented to the Board of Directors' meeting or the shareholders' meeting to consider and approve with regard to Articles of Association or the related legal issues

The Company's Board of Directors has established that there shall be an orientation to all new Directors in order for the new Directors to understand the expectations that the Company has on the role and responsibility of the Directors, policies and guidelines for effective operations, and knowledge and understanding of the business to efficiently take on the role of Director.

The Company's Board of Directors has established a policy to educate all directors to understand new perspectives of the economy in areas such as corporate management, industry, business, technology, and new ideas by supporting all Directors to enroll in the seminars and beneficial programs held by Thailand Institute of Directors and other famous institute to effectively support the capability of the directors

The Company's Board of Directors has established an appraisal on the performance of the Company's Board of Directors at the end of the year.

Since 2008, the Company's Board of Directors has reached to a resolution to allow minor shareholders to nominate individuals to take on the role of Director by the regulations of Director Nomination of the Company. Previously, there were individuals who were interested to nominate for the position of Director in which additional information regarding this matter can be found in Good Corporate Governance (Equality Treatment of Shareholders).

3. Audit Committee

The Audit Committee as at 31 December 2015 consists of 3 independent directors, each member being knowledgeable and experienced in reviewing financial statements, as follows

Name	Positions	Board of Directors	
		Total Meeting	Total Meeting (Times)
1. Mrs. Jantima Sirisaengtaksin	Chairman of Audit Committee	6	6/6
2. Mrs. Yajai Pattanasukwasun	Audit Committee	6	6/6
3. Mr. Poonsak Thiapairat	Audit Committee	6	6/6

Ms. Somjai Amornchinoppakun: Secretary to the Audit Committee

- Note: - Mrs. Jantima Sirisaengtaksin is knowledgeable and experienced in accounting and finance and has adequate qualities to review the reliability of the financial reports of the Company
- Mrs. Yajai Pattanasukwasun is knowledgeable and experienced in accounting and finance and has adequate qualities to review the reliability of the financial reports of the Company

Scope of Authority and Responsibility of the Audit Committee

The Company's Audit Committee has the responsibility to review the financial reports of the Company. Moreover, to review the adequacy of the internal control, risk management system, lawfulness, guidelines, and related regulations in which the committee will do a report and advise towards the Board of Directors for approval or to present to the shareholders' meeting depending on the circumstances. The scope of authority is as of follows:

- Review the financial reports to be completed according to general accounting principles and to be adequately disclosed
- Review the adequacy for the Company's Internal Control system and Internal Audit system to be effective as well as the independency of the department commencing such audit
- Review the operations of the Company to be accordance with the guidelines of the Securities Exchange Commissions and the Stock Exchange of Thailand or and related law
- Review related transactions or any actions that may lead to conflicting interests to be in accordance with the related rules
- Review the appropriateness and adequacy of the Company's Risk Management System
- Nominate, appoint, and appraise the remuneration of the Company's auditor. Review the independency of the Company's auditor and hold a meeting at least once a year without the participation of the Management
- Prepare a report on the Corporate Governance of the Audit Committee while disclosing in the annual report of the Company with the approved signature of the Chief of Audit Committee with the follow adequate information:
 - Correctness and reliability of the financial reports
 - Adequate internal control system
 - Operate according to the laws of Securities Exchange Commissions law and the Stock Exchange of Thailand or and related laws
 - Suitability of the Company's Auditor
 - Report that maybe in conflict of interests
 - Audit Committee's meeting and the participation of each member of the committee
 - Opinions or notes of interest from the duty as Director
 - Other reports that shareholder and other investors should acknowledge
- Directors of the Audit Committee can invite a member of Management or the related Company's employees to give an opinion and participate in the meeting or hand in any documents that is related to such issues

9. Consider the revisions of the scope of authority and responsibility of Directors and evaluate the performance of the Audit Committee every year
 10. Report the performance of the Audit Committee to the Board of Directors to acknowledge every quarter
 11. Evaluate and report the initial findings to the Securities Exchange Commissions (SEC) and the Company's Auditor in the case that the Company's Auditor has reasonable doubt on an issue and reported to the Audit Committee to which the Audit Committee has 30 days to report to the SEC from the day the Company's Auditor reported to the Audit Committee
 12. Acknowledge the copy of the report from the Directors and Management on gain or loss both personally and of related parties which is related to the interest of the management of the Company and the Company's subsidiaries according to the guidelines, conditions and procedures outlined by the Capital Market Commission
 13. Other operations in which is delegated by the Board of Directors
- Incidentally, the Audit Committee is directly responsible to the Board of Directors and the Board of Directors is responsible to the operations of the business towards external individuals

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee as at December 31, 2015 consists of the Independent Directors and Chairman, as follows:

Name	Positions	Board of Directors	
		Total Meeting	Total Meeting (Times)
1. Mrs. Yajai Pattanasukwasun	Chairman of Nomination and Remuneration Committee and independent director.	4	4/4
2. Mr. Poonsak Thiapairat	Nomination and Remuneration Committee and independent director.	4	4/4
3. Mrs. Naline Ngamsetthamas	Nomination and Remuneration Committee	4	4/4

Ms. Kittakarn Pakham: Secretary to the Nomination and Remuneration Committee

Scope of Authority and Responsibility of the Nomination and Remuneration Committee

1. Establish the policies to present to the approval of the Board of Directors as follows:
 - 1.1 Policy Guidelines for the nomination procedure of Directors and Management
 - 1.2 Policy Guidelines for the remuneration procedure for the members of Board of Directors, members of sub-committee, and the Chief Executive Officer
2. Select and present the following qualified individuals to the Board of Investment to consider:
 - 2.1 Director
 - 2.2 Directors in the subcommittee with the authorization, role and responsibility directly given by the Board of Directors
 - 2.3 Chief Executive Officer and Managing Director, for the position of Managing Director, the authority is given to the Chief Executive Officer to initially submit to the Nomination and Remuneration Committee to confirm and then to the Board of Directors for approval
3. Attend that the Board of Directors is reasonable in size compared to the Company as well as to modify the Board of Directors according to the change in economic environment of the Company

4. Attend that the Directors and the Chief Executive Officer receive reasonable remuneration according to their role and responsibility given to them
5. Establish and present guidelines as well as an opinion on the performance of the Chief Executive Officer in order to consider the remuneration and bonuses for the year
6. Establish a succession plan for the position of Chief Executive Officer and Managing Directors to present to the Board of Directors at least once a year
7. Report the performance of the operations to the Board of Directors at least once a year
8. Operate other operations following the role given by the Board of Directors

5. Credit Committee

As at December 31, 2015 the Credit Committee of the Company is comprised of 5 members as follows:

Name	Positions	Board of Directors	
		Total Meeting	Total Meeting (Times)
1. Mr. Visit Wongrumlap	Chairman of Credit Committee	19	17/19
2. Mr. Wiwat Kongkasai	Credit Committee	19	19/19
3. Mr. Kanokkit Navasiri	Credit Committee	19	19/19
4. Mrs. Pornpilai Burasai	Credit Committee	19	18/19
5. Mrs. Kongkeaw Piamduaytham	Credit Committee	19	18/19

Mr. Kwanpong Pumsawang: Secretary to the Credit Committee

Duties and responsibilities of the Credit Committee

1. Is authorized to approve loans under the authority given by the Boards of Directors
2. Other actions assigned by the Board of Directors

6. Management

As at December 31, 2015 the Management team comprised of 6 members as follows:

Name	Positions
1. Mr. Samchai Benchapathomrong	Chief Executive Officer
2. Mr. Kanokkit Navasiri	Managing Director
3. Mrs. Pornpilai Burasai	Assistant Managing Director - Credit and Marketing Group
4. Mr. Jirasak Arkawat	Assistant Managing Director - Operations Group
5. Mr. Virut Danarthikhom	Assistant Managing Director - Risk Management and Debt Recovery Management Group
6. Mrs. Paisri Fakcharoenphol	Senior Vice President of Accounting and Finance Department

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.

Self Assessment of the Directors

The Company's Board of Directors must all individually evaluate their personal performance at least once a year in order to establish an adequate oversight on business operations or other issues. The significant issues will be used to support the Management to change or improve the business management to be more effective. The form used is an example from the self assessment form from the Stock Exchange of Thailand with alterations to be in accordance with the Company's Board of Directors. The results of the self assessment will be revealed to the Board of Directors with the analyzed results in order for the Management team to improve later on.

Assessment of the Chief Executive Officer

The Company's Board of Directors has established an appraisal on the performance of the Chief Executive Officer annually in which the criteria of the appraisal is based the target and the performance of the year's operation in order to decide the reasonable remuneration and bonuses.

The Board of Directors Structure and Configuration

The Company's Board of Directors has structure the amount of Directors to be reasonable compared with the size of the organization. Currently, there are 10 members in the Board of Directors and all members are no members of the Company's Management (4 of which are Independent Directors).

The Board of Directors is comprised of 4 Independent Directors (10 members on the Board of Directors) Consisting 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 |

The definition of “Independent Director” is as of follows:

1. Must not hold more than 1% of the shares with voting rights of the total stake of the Company. Parents companies, subsidiaries, Joint Ventures, Major Shareholders or Controlling Shareholder are considered when calculating the total
2. The Independent Director must not be or have previously been a Director related to the management of the employees, staffs, a consultant who receives a salary, or someone with authority. Parent companies, subsidiaries, Joint Venture, subsidiaries of the same parent company, Major Shareholders or Controlling Shareholders, in which the Independent Director is not positioned as Director or previously been a Director related to the management of the employees, staffs, a consultant with a salary, or someone with authority must wait at least 2 years before the intention to formally register as an Independent Director. If the Independent Director was previously a government official or a consultant for the Government for which the Government was a Major Shareholder or Controlling Shareholder, such waiting time would be null.
3. The Independent Director must not be blood related or registered legally with the following individuals: father, mother, spouse, brothers, sisters, children, spouse of children, spouse of Management, spouse of Major Shareholders, spouse of someone with the authority to control, or spouse of a nominee for the position of Management, someone with the authority to control, or subsidiaries
4. The Independent Director does not have or previously have a business relationship with the parent company, subsidiaries, Joint Ventures, Major Shareholders or Controlling Shareholders, in which such relationship will have an effect on the independent decision making of the Independent Director. The Independent Director does not own or have previously own a significant portion of stocks or have significant business control over parent company, subsidiaries, Joint Venture, Major Shareholders or Controlling Shareholders, unless the Independent Director has waited at least 2 years before the intention to formally register as an Independent Director.

The definition of a business relationship is defined as the follow: transactions that are in accordance with normal business operations, to lent or rent property, transactions of assets or of service, giving or receiving financial aid from lending or borrowing, guarantees, offering assets to be collateral, and other actions with similar objectives. Such business transactions will result in either the Independent Director or the partner in the business transaction to be in debt and will need to repay the other party in the amount of 3% of the net tangible assets of the Independent Director or an amount higher than 20 Million Baht, whichever is lower. The calculation of such debt will be in accordance to the appraised value of the related transactions announced by the Capital Market Commission in relation to the guidelines of related transactions complied. The verification of such debt will be 1 year prior to such business relationship.

5. The Independent Director must not be or was previously been an Auditor of a parent company, subsidiaries, Joint Venture, Major Shareholder or Controlling Shareholders, and not a Partner of these companies or have authority to control. The Independent Director must also not be a stakeholder of such auditing firms in which audits the parent company, subsidiaries, Joint Venture, Major Shareholders or someone with the authority to control unless the Independent Director has waited at least 2 years before the intention to formally register as an Independent Director.
6. The Independent Director must not be or have previously offered professional services which includes legal and financial consultant receiving more than 2 million Baht per year from the parent company, subsidiaries, Joint Venture, Major Shareholders or controlling shareholders, and not be a Partner or controlling shareholders of such companies that offer professional services unless the Independent Director has waited at least 2 years before the intention to formally register as an Independent Director.
7. The Independent Director must not be appointed to be the representative of other Directors, Major Shareholder or shareholders that are related to the Major Shareholders

8. The Independent Director must not operate any company with the same business as the Company or any company that significantly competes with the Company or subsidiaries. The Independent Director must also not hold a significant stake of such companies, take the role of Director, Management, Employee, Staffs, or Consultant of such company, and must not hold more than 1% of the total voting rights of the company in which operates in the same business as the Company or significantly competes with the Company or subsidiaries.
9. The Independent Director must not have other characteristics that will not allow the Independent Director to have an independent judgment. After the appointment of the Independent Director according to (1) to (9), the Independent Director may be given responsibility by the Board of Directors to allow judgment and management of parent company, subsidiaries, Joint Venture, subsidiaries with the same parent company, major shareholders or Controlling shareholders, in which the decision will be regarded as a collective decision

For the definitions (2), (4), (5), and (6) in the part that defines the qualification of the Independent Director to wait at least 2 years before the intention to formally register as an Independent Director, the application applied to the Office will be used from July 1, 2010 onwards.

In the case that an applied Independent Director has a business relationship or previously have a business relationship or professional service which is above the sum stated in (4) or (6), the applied Independent Director shall ask permission for the leniency regarding the business relationship or previously have a business relationship or profession services which is above the sum to the Board of Directors to consider which is in accordance with Section 89/7. The appointment of such Independent Director shall not have any impact on the duty and does not restrain from giving an independent opinion. Such leniency will be disclosed in the Notice of Meeting of Shareholders in which the consideration of the Independent Directors will be as follows:

- A. The type of business relationship or professional service that permits the individual to not have the qualification stated by the guidelines
- B. The reason and the need for the individual to be an Independent Director
- C. The view of the Board of Directors on the individual to be appointed as an Independent Director

For the benefit for (5) and (6), the term "Partner" is defined as an individual assigned by the audit firm or professional services to sign the audit report or professional service report (depending on the situation) in the name of the company.

The Recruitment of Directors and Senior Management

In order to be in accordance with the policy of good corporate governance, the Company's Board of Directors have established policies, guidelines, and procedures to recruit Directors and Senior Management in which the task will be held responsible by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee will establish guidelines and procedure to recruit the candidates according to the reasonability of the Company at that time as well as to gain approval from the parent company (AIRA Capital Public Company Limited) following the rules of the parent company Section 7 No. 56 concerning the oversight and management of subsidiaries and Joint Ventures.

The Development of Directors and Management

The Company's Board of Directors has support the training and education of the Directors and Management in order to further apply to the operations of the Company for example, support the meeting between the Directors and Senior Management in order to exchange ideas and support the development of the Senior Management's capabilities. The Nomination and Remuneration Committee will be responsible for succession plans of the Chief Executive Officer and Managing Director in order to be assured that the Company has talented and adequate members of Management for ongoing operations in correspondence with the following points:

1. The Company's Board of Directors has established a plan for the development of Management in order to be ready for the succession in the position of Chief Executive Officer and Managing Director
2. The Nomination and Remuneration Committee will consider the knowledge, competency, and experience of each position in the Company to be in accordance with the required qualifications for the successions of such positions

3. The Chief Executive Officer will assess the performance and knowledge of the Management and compare to the required level of qualification in order to establish a development plan to reduce the competency gap
4. Establish the responsibility to the Human Resource Department to follow on the training, development of knowledge, and capability of Senior Management
5. Establish a succession plan for the Chief Executive Officer and the Managing Director and in which is to be reported to the Board of Directors at least once a year

The Meeting of the Directors

The Company's Board of Directors has established the Board of Directors meeting to be schedule for the year. The Articles of Association has stated that the Board of Directors meeting is to be held once every 3 months and with the option of addition meeting if needed. In each of the meetings, the agenda is clearly stated both agenda to acknowledge and agenda to consider. Documents are prepared 7 days prior to the meeting with completeness and adequacy in order for the Directors to have enough time to prepare for the meeting. The meeting has allocated enough time in order for all the Directors to debate and freely share their opinion in which the Chairman will finalize and conclude the results of the meeting. The Secretary of the Board of Directors will be responsible for the minutes of the meeting and after the approval of the Board of Directors; such documents will be kept in the legal cabinet for Directors or related parties to investigate.

Director's Meeting

Name	Attend / Total Meeting (Times)									
	Board of Directors		Audit Committee		Executive Committee		Nomination and Remuneration Committee		Credit Committee	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
1. Mr. Sorasit Soontornkes ¹	5/6	2/2								
2. Mrs. Jantima Sirisaengtaksin	6/6	1/7	6/6	6/6						
3. Mrs. Ladawan Tanatanit	6/6	6/7			13/13	15/15				
4. Mrs. Yojai Pattanasukwasun ¹	6/6	2/2	6/6	2/2			4/4	2/2		
5. Mr. Poonsak Thiapairat	6/6	7/7	6/6	5/6			4/4	4/5		
6. Mrs. Nalineee Ngamsetthamas	6/6	6/7			12/13	11/15	4/4	4/5		
7. Mr. Wiwat Kongkasai	6/6	7/7			13/13	15/15			19/19	16/16
8. Mr. Visit Wongrumlap	6/6	7/7							17/19	16/16
9. Mr. Wutthiphum Jurangkool	4/6	7/7			7/13	12/15				
10. Mr. Kunakorn Makchaidee	6/6	7/7								
11. Mrs. Napaporn Landy					11/13	13/15				
12. Mr. Samchai Benchapathomrong ²					13/13	7/7				
13. Mrs. Kongkeaw Piamduaytham ³									18/19	16/16

Remark 1: Appointed as Director of Board of Directors on August 14, 2014

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

Remark 3: Appointed as Director of Credit Committee on November, 2014

The Board of Directors has established the policy on the minimum quorum of members in the meeting in order to achieve a vote to which 2 out of 3 of its members must be present.

Tenure of Members of Committees

The Company's directors consist of person with knowledge and competency. The Company specified the number of the Directors appropriate with the business size. Currently, the Company has 10 Directors and 4 of the Directors are 4 independent directors. Each of them takes the position for 3 years

Name	Year appointed	Year last elected (2015)	Executive/ non-executive/ Independent	Seeking election/ seeking re-election in 2015	Next due for re-election
1. Mr. Sorasit Soontornkes	2557	2558	Chairman/ Independent Director	No	2018
2. Mrs. Jantima Sirisaengtaksin	2554	2558	Independent Director	No	2018
3. Mrs. Ladawan Tanatanit	2554	2558	Director	No	2018
4. Mrs. Yajai Pattanasukwasun	2557	-	Independent Director	No	2017
5. Mr. Poonsak Thiapairat	2547	2556	Independent Director	Yes	2016
6. Mrs. Naline Ngamsetthamas	2554	2556	Director	Yes	2016
7. Mr. Wiwat Kongkasai	2547	2556	Director	Yes	2016
8. Mr. Visit Wongrumlap	2554	2556	Director	Yes	2016
9. Mr. Wutthiphum Jurangkool	2554	2557	Director	No	2017
10. Mr. Kunakorn Makchaidee	2547	2557	Director	No	2017

The Company's Secretary

The Company's Board of Directors has appointed Ms. Kittikarn Pakham to take the position of the Company's Secretary. The Company's Secretary will need to be trained by the Thai Institute of Directors in the programs related to the duty of the role of the Company's Secretary. Ms. Kittikarn Pakham was appointed as the Company's Secretary on August 14, 2008 in order to take on the position in accordance to the Act of Legislation of the Securities Exchange Commission Act Section 89/15 with the followings:

- (1) To be a center point in making/storing documents
- (2) Handling Board/Committees members registrations
- (3) Arranging shareholders meetings, invitation letter of meeting, and the minutes of the meeting
- (4) Reporting the interests of Directors and Executives
- (5) Hold activities between Directors and the Management
- (6) Coordinate that the work is in accordance with the resolution of the Company's Board of Directors
- (7) Give opinions relating to the Laws of various Notifications/Announcements
- (8) Others issues as assigned by the Company's Board of Directors

Biography of the Company's Secretary

Ms. Kittikarn Pakham

Bachelor of Law, Ramkhamhaeng University

Qualification: Knowledge of relevant legislation, the ability to coordinate, ability of brief meetings, preparations of the minutes of the meeting, work flexibility, good relationship, passes the program for the role of Company's Secretary by the Thai Institute of Directors or Independent Institutes with creditability

Board of Directors

Details of the Directors and Management with the Authority to Control the Company

1. Board of Directors



1. Mr. Sorasit Soontornkes

Age 64 Years

Education

- 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 , The Wharton School, University of Pennsylvania, USA
- Advanced Army Academics Program (Regular Class 46), Royal Thai Army War College.
- Certificate of the Capital Market Leadership Program Class 8, Capital Market Academy.
- Thammasat Leadership Program (TLP), No. 2.
- Director Certificate Program (DCP)

Shares in the Company -None-

He is currently a Director of 1 listed company and 0 non-listed company.

Work Experience (Last 5 Years)

- August 2014 - Present - Chairman and Independent Director
AIRA Factoring Plc.
- 2011 - Deputy Governor, Management, Bank of Thailand.
- Assistant Governor, Supervision Group
Bank of Thailand
- 2011 - Director and Director of Audit Committee
The Export-Import Bank of Thailand
- 2010 - Director, Bank of Thailand Representative,
Deposit Protection Agency



2. Mrs. Jantima Sirisaengtaksin

Age 66 Years

Education

- Bachelor of Accountancy, Chulalongkorn University
- Master of Accountancy, 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
- The National Defense Program Class No. 43
- Director Certificate Program (DCP) (2002)

Shares in the Company -None-

She is currently a Director of 1 listed company and 0 non-listed company.

Work Experience (Last 5 Years)

- | | |
|----------------------|--|
| March 2011 - Present | - Director, Chairman of Audit Committee, and Independent Director
AIRA Factoring Plc. |
| 2007 | - Vice-Permanent Secretary, Ministry of Finance |
| 2004 | - Consultant for Information Technology and Communication, the Revenue Department |
| 2001 | - Deputy Director General of Revenue Department, The Revenue Department |
| 2000 | - The Director Regional Revenue Office 4, The Revenue Department |
| 1999 | - Director Bureau of Tax Auditing for Corporate Business
- Director Bureau of Restructuring Tax Treatment
The Revenue Department |
| 1996 | - Computer Technical Officer 9
Bureau of Information Technology,
The Revenue Department |
| 1993 | - Tax Structure Specialist (Tax Technical Specialist 8)
The Revenue Department. |
| 1992 | - Tax Structure Specialist (Tax Technical Specialist 8), Plan and Policy Division, The Revenue Department. |
| 1988 | - Computer System Specialist Officer 7,
Tax Revenue Declaration Division,
The Revenue Department. |



3. Mrs. Ladawan Tanatanit

Age 71 Years

Education

- B.B.A. (Finance), Thammasat University
- Master of Business Administration, Finance and Banking, Eastern New Mexico University, USA
- Diploma on The Joint State - Private Sector Course Class 9, National Defence College
- Advanced Bank Management Program (ABMP), Asian Institute Of Management, Republic of the Philippines
- Director Certification Program (DCP) No. 96, Thai Institute of Directors
- Certificate of the Capital Market Leadership Program Class no. 6/2008, Capital Market Academy (CMA).
- Politics and Governance in Democratic Systems for Executives No.13, King Prajadhipok's Institute.
- Senior Administration of Justice Program No.17/2013, Judicial Training Institute.

Shares in the Company -None-

She is currently a Director of 1 listed company and 0 non-listed company.

Work Experience (Last 5 Years)

- | | |
|----------------------|---|
| March 2011 - Present | - Authorized Director, Chairman of Executives Committee, AIRA Factoring Plc. |
| 1988 - 2005 | - Executive Vice President, Real Estate and Construction Bangkok Bank Plc. |
| 2006 - 2008 | - Director, Executive Director, Small and Medium Enterprise Development Bank of Thailand, Director, Corporate Governance and Benefit Committee, Fiscal Policy Office, Ministry of Finance |
| 2007 - 2010 | - Director of National Innovation Council National Innovation Agency, Ministry of Science and Technology. |
| 2007 - 2011 | - Central Land Allocation Committee, Department of Land, Ministry of Interior. |
| 2007 - 2011 | - Director of Consumer Protection Committee, Office of The Consumer Protection Board. |



4. Mr. Poonsak Thiapairat

Age 52 Years

Education

- MBA (Finance and International Business), Sasin, Chulalongkorn University.
- Master of Science Program , Logistics, Chulalongkorn University
- Directors Accreditation Program (DAP) No. 11/2004
- Finance for Non-Finance Director (FN) No. 23/2005

Shares in the Company 0.59 % (4,720,000 Shares)

He is currently a Director of 1 listed company and 1 non-listed company.

Work Experience (Last 5 Years)

- | | |
|---------------|--|
| 2004- Present | - Director, Director of Audit Committee, and Director of Nomination and Remuneration Committee AIRA Factoring Plc. |
| 2002- Present | - Manager
Eternity Co., Ltd. Group |



5. Mrs. Yajai Pattanasukwasun

Age 57 Years

Education

- Master of Public Administration, Chulalongkorn University
- Bachelor of Laws, Sukhothai Thammathirat Open University
- Bachelor of Accountancy, Thammasat University
- Certification of Public Law, Thammasat University
- Audit Committee Program (ACP) No. 2/2005
- Director Certification Program (DCP) No. 43/2004

Shares in the Company -None-

She is currently a Director of 1 listed company and 1 non-listed company.

Work Experience (Last 5 Years)

- | | |
|----------------------|---|
| August 2014- Present | - Director, Director of Audit Committee, and Chairman of Nomination and Remuneration Committee
AIRA Factoring Plc. |
| 2014- Present | - Director, Director of Executive Committee, Director of Corporate Governance Committee, Director of Nomination and Remuneration, and Legal Adviser
Government Pharmaceutical Organization |
| 2012-2014 | - Director, Chairman of Risk Management Committee,
Director of Corporate Governance and Property Development.
MCOT Plc. |

- 2009 - 2012 - Director and Director of Executive Committee
MFC Asset Management Plc.



6. Mrs. Naline Ngamsetthamas

Age 57 Years

Education

- CMIM., Certificate Master Marketing Management (English Program),
Thammasat University and Gutenberg University
- Master Business Administration (Finance) ,
National Institute of Development Administration (NIDA)
- Bachelors of Science, Srinakharinwirot University
- Leadership Succession Program (LSP) No. 4, Institute of Research and
Development for Public Enterprises
- Thammasat Leadership Program No. 3, Thammasat University
- Role of the Chairman Program (RCP) No. 31/2013, Thai Institute of Directors
- Advanced Security Management Program No. 3, The Association National Defence College of
Thailand under the Royal Patronage of His Majesty the King
- Executives Program, Capital Market Academy No. 8
- Director Accreditation Program (DAP) No. 61/2007, Thai Institute of Directors

Shares in the Company -None-

She is currently Directors of 2 listed companies and 6 non-listed companies.

Work Experience (Last 5 Years)

- March 2011 - Present - Director, Director of Executive Committee, Nomination
and Compensation Committee, and Authorized Director
AIRA Factoring Plc.
- 2015 - Present - Chairman and Authorized Director,
Aspiration One Co., Ltd.
- 2015 - Present - Director and Authorized Director,
AIRA Property Co., Ltd.
- 2014 - Present - Director, Authorized Director, and Chairman of the Executive Committee
AIRA and AIFUL Plc.
- 2013 - Present - Director, Authorized Director and Executive Director ,
AIRA International Advisory Co., Ltd. (Singapore)
- 2010 - Present - Director, Authorized Director and Chairman of Executive Officer
AIRA Capital Plc.

- 2007 - Present - Director, Authorized Director and Chairman of Executive Committee
AIRA Securities Co., Ltd.
- 1998 - Present - Director and Authorized Director,
AIRA Advisory Co., Ltd.



7. Mr. Wiwat Kongkasai

Age 59 Years

Education

- MBA, National Institute of Development Administration (NIDA)
- Bachelors of Accountancy, Chulalongkorn University
- Directors Accreditation Program (DAP) 2004
- Director Certification Program (DCP) No.118/2009

Shares in the Company 3.63 % (58,141,100 shares)

He is currently a Director of 1 listed company and 0 non-listed company.

Work Experience (Last 5 Years)

- Present - Director, Director of Executive Committee and Authorized Director
AIRA Factoring Plc.
- 1997 - 2014 - Chief Executive Officer
AIRA Factoring Plc.



8. Mr. Kunakorn Makchaidee

Age 61 Years

Education

- Masters of Business Administration, Delta State University, USA.
- Bachelors of Accountancy, University of the Thai Chamber of Commerce
- Diploma of Directors Certification Program, Thai Institute of Directors Association (IOD) Australian Institute of Company Directors (AICO) 2001
- Certificate of Attendance of the Chairman 2000 No. 5/2001
- Certificate of Attendance of the Audit Committee Program (ACP) No. 17/2550

Shares in the Company 1.25 % (20,000,000 shares)

He is currently a Director of 1 listed company and 1 non-listed company.

Work Experience (Last 5 Years)

- | | |
|----------------|--|
| 2004 - Present | - Director
AIRA Factoring Plc. |
| 2002 - Present | - Director
Chao Khun Agro Products Co., Ltd. |
| 2001 - 2009 | - Independent Director and Director of Audit Committee
Bangkok Ranch Plc. |
| 1992 - Present | - Director
Business Venture Promotion Co., Ltd. |



9. Mr. Visit Wongruplap

Age 67 Years

Education

- Bachelors in Accountancy, Thammasat University
- Director Accreditations Program (DAP) No. 14/2004
- Director Certification Program (DCP) No. 44/2004
- Politics and Governance in Democratic Systems for Executives No. 1, King Prajadhipok's Institute
- Improving The Quality of Finance Reporting Program arranged by the Thai Institute of Directors

Shares in the Company -None-

He is currently Directors of 3 listed companies and 1 non-listed company.

Work Experience (Last 5 Years)

- March 2011 - Present - Director and Chairman of Credit Committee
AIRA Factoring PCL
- Present - Independent Director
Don Muang Tollway PCL
- Present - Director and Director of Audit Committee
Property Management Office, Thammasat University
- April 2015 - Present - Director
Bangchak Petroleum PLC
- April 2011 - 2014 - Director
AIRA Securities PCL
- 2006 - 2009 - Director and Executive Director
Government Savings Bank
- 2007 - 2008 - Acting President & CEO,
Government Savings Bank
- 2004 - 2006 - Deputy Managing Director,
TMB Bank PCL
- 2001 - 2004 - Deputy General Manager
Industrial Finance Corporation of Thailand



10. Mr. Wutthiphum Jurangkool

Age 37 Years

Education

- Bachelors of Laws, Ramkhamhaeng University
- Executive MBA, Sasin, Chulalongkorn University
- Director Certification Program (DCP) No. 148/2011
- Finance for Director (FFD) No. 12/2011

Shares in the Company -None-

He is currently Directors of 2 listed companies and 9 non-listed companies.

Work Experience (Last 5 Years)

- March 2001 - Present - Director, Director of Executive Committee, Authorized Director,
AIRA Factoring Plc.
- December 2014 - Present - Director, Director of Executive Committee, Authorized Director,
AIRA and AIFUL Plc.
- April 2013 - Present - Director, Director of Executive Committee, Authorized Director,
AIRA Capital Co., Ltd.
- February 2011 - Present - Director, Director of Executive Committee, Authorized Director,
Summit Keylex (Thailand) Co., Ltd.

- 2002 - Present - Director and Director of Sourcing
Summit Auto Body Industry Co., Ltd.
- 2002 - Present - Executive Director
Summit Auto Body Industry Co., Ltd. (Ayuttaya)
Summit Laemchabang Auto Body Work Co., Ltd.
Summit Auto Tech Industry Co., Ltd.
Thai Auto Industry Co., Ltd.
Summit R&D Center Co., Ltd.
Summit Advanced Material Co., Ltd.



11. Mrs. Kongkeaw Piamduaytham

Age 64 Years

Education

- Master of Science in Finance at Washington State University, USA.
- Bachelors of Economics at Chiang Mai University, Thailand
- Bachelors of Laws at Ramkhamhaeng University
- Sasin Senior Executive Program
- Director Certification Program (DCP) 157/2012
- Advanced Audit Committee Program (AACP) 13/2013
- Capital Market Academy 1

Shares in the Company -None-

She is currently Directors of 3 listed companies and 2 non-listed companies.

Work Experience (Last 5 Years)

- November 2014 - Present - Director of 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 Corporate Governance Committee
AIRA Capital Plc.
- 2009 - Present - Consultant
AIRA Securities Co., Ltd.



12. Mrs. Napaporn Landy

Age 65 Years

Education

- MBA, Finance at University of Pennsylvania
- Director Certification Program (DCP) 2001
- Audit Committee Program (ACP) 2012
- Charter Director 2012

Shares in the Company -None-

She is currently a Director of 1 listed company and 0 non-listed company.

Work Experience (Last 5 Years)

- | | |
|-----------------------|---|
| August 2013 - Present | - Executive Director
AIRA Factoring PCL |
| 2009 - 2012 | - Managing Director
TSFC Securities Public Company Limited |
| 2008 - 2009 | - Director and Chief Executive Officer
PrimaVest Co., Ltd. |
| 2004 - 2007 | - Director and Manager
Agricultural Futures Exchange of Thailand |



1. Mr. Samchai Benchapathomrong

Age 56 Years

Education

- Bachelors in Accountancy, Thammasat University

Shares in the Company -None-

He is currently Director of 0 listed company and 0 non-listed company.

Work Experience (Last 5 Years)

- June 2015 - Present - Chief Executive Officer
AIRA Factoring PCL
- August 2014 - Present - Executive Director
AIRA Factoring PCL
- 2004 - 2013 - Executive Vice President of Corporate Business
CIMB Thai Bank PCL
- 2001 - 2004 - Senior Vice President of Business Development
Thai Bank PCL



2. Mr. Kanokkit Navasiri

Age 56 Years

Education

- MBA, City University, Seattle, Washington, USA.
- Executive Director Program (EDP) No. 4/2009
- Director Certification Program (DCP) No. 199/2015
- Thammasat Leadership Program 4 at Thammasat University

Shares in the Company -None-

He is currently Director of 0 listed company and 0 non-listed company.

Work Experience (Last 5 Years)

- 2014 - Present - Managing Director
AIRA Factoring Plc.
- 2005 - 2014 - Executive Vice President of Credit and Marketing Department
AIRA Factoring Plc.
- 2002 - 2004 - Vice President of Credit and Marketing Department
AIRA Factoring Plc.



3. Mr. Jirasak Arkawat

Age 59 Years

Education

- Bachelors of Accountancy, Kasetsart University
- Executive Director Program (EDP) No. 11

Shares in the Company 3,016,400 Shares

He is currently Director of 0 listed company and 0 non-listed company.

Work Experience (Last 5 Years)

- | | |
|---------------------|---|
| June 2005 - Present | - Executive Vice President
AIRA Factoring Plc. |
| 1999 - 2004 | - Vice President of Operations
AIRA Factoring Plc. |



4. Mr. Virut Danarthikhom

Age 58 Years

Education

- Bachelors of Economics, Ramkhamhaeng University
- Bachelors of Law, Thammasat University
- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Shares in the Company -None-

He is currently Director of 0 listed company and 0 non-listed company.

Work Experience (Last 5 Years)

- | | |
|----------------|--|
| 2015 - Present | - Executive Vice President of Risk Management and Debt Recovery
AIRA Factoring Plc. |
| 2007 - 2014 | - Head of Corporate
RHB Bank Berhad, Bangkok Branch |



5. Mrs. Pornpilai Burasai

Age 51 Years

Education

- Masters of Business Administration, National Institute of Development Administration (NIDA)
- Executive Director Program (EDP) No. 4/2552

Shares in the Company -None-

She is currently Director 0 listed company and 0 non-listed company.

Work Experience (Last 5 Years)

- | | |
|----------------|---|
| 2011 - Present | - Executive Vice President
AIRA Factoring Plc. |
| 2001 - 2011 | - First Vice President Corporate Client Solution
CIMB Thai Bank Plc. |



6. Mrs. Paisri Phakcharoenphol

Age 51 Years

Education

- Bachelors Degree in Accounting and Finance, University of the Thai Chamber of Commerce

Shares in the Company 905,000 Shares

She is currently Director of 0 listed company and 0 non-listed company.

Work Experience (Last 5 Years)

- | | |
|----------------|--|
| 2001 - Present | - Senior VP of Accounting and Finance
AIRA Factoring Plc. |
|----------------|--|

Shareholding of the Board of Directors and Management

Name	Number of Ordinary Shares 30/12/2015	Nature of Interest	Number of Rights Over Ordinary Shares
1. Mr.Sorasit Soontornkes	-	-	-
2. Mrs.Jantima Sirisaengtaksin	-	-	-
3. Mrs.Ladavan Tanatanit	-	-	-
4. Mrs.Yajai Pattanasukwasun	-	-	-
5. Mr. Poonsak Thiapairat	4,720,000	Direct	-
6. Mrs.Naline Ngamsettam	-	-	-
7. Mr.Wiwat Kongkasai	58,141,100	Direct	-
8. Mr.Visit Wongrumlap	-	-	-
9. Mr.Wutthiphum Jurangkool	-	-	-
10. Mr.Kunakorn Makchaidee	20,000,000	Direct	-
11. Mr.Samchai Benchapathomrong	-	-	-
12. Mr.Kanokkit Navasiri	-	-	-
13. Mr.Jirasak Arkawat	3,016,400	Direct	-
14. Mrs.Pornpilai Burasai	-	-	-
15. Mr.Virut Danarthikhom	-	-	-
16. Mrs.Paisri Fakcharoenphol	905,000	Direct	-

Dividend Payment Policy

The Company's policy for dividend payment will not be less than 50% of the year's net profit after deduction of all reserves as specified in the Article of Association and by law except for the cast that the payment of dividends will significantly affect the Company's operations.

Details of the Dividend Payment for the past 5 years.

Details of dividend payment	Year 2014	Year 2013	Year 2012	Year 2011	Year 2010
1. Net profit	24.90 million Baht	64.73 million Baht	45.25 million Baht	51.31 million Baht	45.83 million Baht
2. Number of shares	40 million shares	40 million shares	40 million shares	Increased Capital from 20 million shares to 40 million shares	20 million shares
3. Dividend payout rate per share				0.75 Baht/share x 20 million share	
3.1 Interim Dividend		0.30 Baht/share			
3.2 Dividend payment	0.50 Baht/share	0.70 Baht/share	1 Baht/share	1 Baht/share x 40 million share	1.25 Baht/share
4. Total amount of dividend	20 million Baht	40 million Baht	40 million Baht	55 million Baht	25 million Baht
5. Dividend payout against net profit	80.32%	61.79%	88.40%	107.19%	54.55%

Remuneration

The Company's Board of Directors has clearly and transparently established the remuneration policy for the Directors. The Nomination and Remuneration Committee will consider and approve the remuneration policy for Directors and Managements composing of the Chief Executive Officer and others before presenting the policy to the shareholders' meeting for further approval.

1. Policy and Guidelines for the Remuneration of the members of the Board of Directors

On February 24, 2012, the Company has established that the Nomination and Remuneration Committee to clearly and transparently determines the remuneration for the Directors in which the sum shall be similar to the remuneration of other companies in the same business. Nonetheless, the remuneration of the Directors will have to pass the approval of the Board of Directors' meeting and the shareholders' meeting in which the form of payment will be meeting fees and bonus.

2. Policy and Guidelines for the Remuneration of the Management

The Company has established the policy on the remuneration of the Management to be according to the guidelines and policy of the Board of Directors which will be associated to the performance of the Company's operation. The performance of the Company's operation will be compared to the Company's target determined previously as well as each personnel of management will be evaluated on their individual performance compared to the responsibilities of that positions. The remuneration of the Management will be in the form of salary, bonus, and other incentives.

Remunerations of Directors

1. The Remunerations of Directors for the year ended 31 December 2015 and 2014 is as follow:

Name	Position	Meeting Allowance (Baht)										Gratuities Board of Directors			Total Remuneration	
		Board of Directors		Audit Committee		Executive Committee		Nomination and Remuneration Committee		Credit Committee						
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
1.Mr. Sorasit Soontornkes*	Chairman and Independent Director	125,000	50,000	-	-	-	-	-	-	-	-	-	-	-	125,000	50,000
2.Mrs. Jantima Siisaengtaksin	Director, Chairman of Audit Committee, and Independent Director	150,000	15,000	90,000	150,000	-	-	-	-	-	-	-	-	-	240,000	165,000
3.Mrs. Ladawan Tanatanit	Director and Chairman of Executive Committee	90,000	90,000	-	-	195,000	225,000	-	-	-	-	-	-	-	285,000	315,000
4.Mrs. Yajai Pattanasukwasun*	Director, Audit Committee, and Chairman of Nomination and Remuneration Committee	90,000	30,000	90,000	30,000	-	-	60,000	30,000	-	-	-	-	-	240,000	90,000
5.Mr. Poonsak Thiapairat	Director, Audit Committee, and Nomination and Remuneration Committee	90,000	105,000	90,000	75,000	-	-	40,000	40,000	-	-	-	-	-	220,000	220,000
6.Mrs. Nallhee Ngamsattamas**	Director, Executive Committee, and Nomination and Remuneration Committee	90,000	90,000	-	-	-	-	40,000	40,000	-	-	-	-	-	130,000	130,000

(Unit: Baht)

Name	Position	Meeting Allowance (Baht)												Gratuities Board of Directors			Total Remuneration	
		Board of Directors		Audit Committee		Executive Committee		Nomination and Remuneration Committee		Credit Committee								
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
7. Mr. Wiwat Kongkasai ***	Director, Executive Committee, and Credit Committee	75,000	75,000	-	-	130,000	80,000	-	-	190,000	80,000	-	-	-	-	395,000	235,000	
8. Mr.Visit Wongrunlap	Director and Chairman of Credit Committee	90,000	105,000	-	-	-	-	-	-	255,000	200,000	-	-	-	-	345,000	305,000	
9. Mr.Wuthiphum Juangkool	Director and Executive Committee	60,000	105,000	-	-	70,000	120,000	-	-	-	-	-	-	-	-	130,000	225,000	
10. Mr. Kundorn Makchaidee	Director	90,000	105,000	-	-	-	-	-	-	-	-	-	-	-	-	90,000	105,000	
11. Mr. Samchai Benchapathomrong****	Executive Committee	-	-	-	-	50,000	70,000	-	-	-	-	-	-	-	-	50,000	70,000	
12. Mrs. Napaporn Landy	Executive Committee	-	-	-	-	110,000	130,000	-	-	-	-	-	-	-	-	110,000	130,000	
13. Mrs. Kongkeaw Plamduayrham	Credit Committee	-	-	-	-	-	-	-	-	180,000	20,000	-	-	-	-	180,000	20,000	
		Total														2,540,000	2,175,000	

Note: * Appointed as Credit Committee on August 14, 2014

** Mrs. Naline Ngamsetthamas request to not obtain Remuneration of Executive Directors as she is a representative of a major shareholder.

*** Mr. Wiwat Kongkasai received half the meeting allowance as a Director of Board of Directors but exempted from receiving the meeting allowance as a Director of Executive Committee as approved by the Annual General Meeting On July 1, 2014, Mr. Wiwat Kongkasai retired and received the full remuneration of meeting allowance similar to other directors on such committees

**** Mr. Samchai Benchapathomrong was declared as a director of the Executive Committee on August 14, 2014. Later on, he was declared as the Chief Executive Officer on May 13, 2015 in which he will not receive any meeting fee positioned as a director of the Executive Committee as approved by the shareholders.

2. Other Remuneration

-None-

2. Executive Remuneration

Company's executive remuneration policy is based on principles and policies of the Board of Directors in 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. Details are as follows as at December 31, 2015 and 2014:

Type of Remuneration	Amount (Baht)	
	2015	2014
Salary And Bonus	13,246,558.16	13,937,871.10
Provident Fund	792,684.47	1,049,488.71
Other Welfare	1,122,846	1,329,546
Total	15,162,088.63	16,316,905.81
Number of Executives	8	8

- Note:
- For 2015, the Company's executives are composed of 8 members: Mr. Samchai Benchapathomrong, Mr. Kanokkit Navasiri, Mr. Jirasak Arkawat, Mrs. Pornpilai Burasai, Mr. Virut Danarthikhom, Mrs. Paisri Phakcharoenphol, Mr. Somkiat Vachanasate, and Ms. Somjai Amornchainoppakun
 - For 2014, the Company's Executive are composed of 8 members: Mr. Wiwat Kongkasai, Mr. Kanokkit Navasiri, Mr. Jirasak Arkawat, Mrs. Pornpilai Burasai, Mrs. Paisri Phakcharoenphol, Mr. Somkiat Vachanasate, Ms. Somjai Amornchainoppakun, and Mr. Permsak Poonperm

3. Human Resource

1. Number of Employees

As at December 31, 2015, the Company had a total of 63 employees. The Company paid a total remuneration to employees of Baht 27,518,581.89 which includes salary, overtime compensation, and other income support. Other special income support includes Social Security, bonuses, provident fund contributions, and etc. The company also plans to prepare the workforce to meet the business operation in which employee's allocation is divided according to each department:

Department		Number of Full-time officer		
		2015	2014	2013
1.	Credit and Marketing Department	12	13	10
2.	Operation Department	21	19	19
3.	General Administration Department	8	7	9
4.	Accounting and Finance Department	8	7	6
5.	Audit and Compliance	2	1	1
6.	Risk Department	8	3	2
7.	Office of Chief Executive Officer	4	-	-
	Total	63	50	47

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

2. Remuneration and Other Welfare

The company's remuneration and other welfare for the last 3 years (2015-2013) are as of follow:

(Unit: Baht)			
Remuneration (Baht)	2015	2014	2013
Number of officers	63	50	47
- Salary and Bonus	22,738,083.37	19,070,322.42	18,714,688.02
- Other Welfare	4,780,498.52	2,252,072.13	4,347,036.57
Total	27,518,581.89	21,322,394.55	23,061,724.59

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.1/2016 was held on February 24, 2016. 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.

Brief Profile of the Head of Internal Audit Department

Miss. Somjai Amornchainoppakun

Educational Qualifications:

- Master of Business Administration Program in Managerial Accounting
Graduate School of Commerce, Burapha University
- BBA (Accounting) Siam University

Work experience:

- 2006 - Present Head of Internal Audit and Compliance, AIRA factoring Plc.
- 2004 - 2006 Internal Audit and Compliance Manager, Advance Finance Plc.
- 2001 - 2004 Internal Audit and Compliance, Minor holding (Thailand) Co, Ltd.

Qualification:

Knowledgeable and experience in the auditing of internal control system, financial reports, accounting and securities and exchange law.

Connected Transactions (if any)

Between the year end of 2014 and 2015 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 2015	Audit Committee's Opinion
			2014	2015		
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 71.55% of total shares of AIRA Factoring Public Company Limited and 99.99% of total shares of AIRA Securities Public Company Limited	Credit Line of 800 million Baht and approval for credit line limit increased from 800 million Baht to 1,200 million Baht which was approved by the Annual General Shareholder meeting on April 28, 2014. Interests are paid to connected persons as follows: On June 6, 2014, the Company issued bill of exchange (B/E) No. 1/2014 with the value of 300 million baht and interest rate of 3.40% per annum. The maturity date is within 88 days which will be on September 2, 2014. On June 12, 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 September 10, 2014. On September 2, 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 December 1, 2014. On September 10, 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 December 9, 2014. On November 14, 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 January 6, 2015. On December 1, 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 February 27, 2015. On December 9, 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 March 3, 2015.	2,183.56	1,983.13	497.65	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.
			2.44			
			1.66			
			2.49			
			1.70			
			2.46			
			2.44			
			1.61			

Individual / Juristic Person Which may be in Conflict	Relationship	Transaction Type	Transaction Value		Net Balance as at 31 Dec 2015	Audit Committee's Opinion
			2014	2015		
		On December 11, 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 March 10, 2015. On February 27, 2015, the Company issued bill of exchange (B/E) No. 1/2015 with the value of 300 million baht and the interest rate of 3.50 % per annum. The maturity date is within 87 days which will be on May 25, 2015. On March 6, 2015, the Company issued bill of exchange (B/E) No. 2/2015 with the value of 200 million baht and the interest rate of 3.50 % per annum. The maturity date is within 89 days which will be on June 3, 2015. On May 25, 2015, the Company issued bill of exchange (B/E) No. 3/2015 with the value of 300 million baht and the interest rate of 3.50 % per annum. The maturity date is within 87 days which will be on August 20, 2015. On June 3, 2015, the Company issued bill of exchange (B/E) No. 4/2015 with the value of 200 million baht and the interest rate of 3.50 % per annum. The maturity date is within 90 days which will be on September 1, 2015. On August 20, 2015, the Company issued bill of exchange (B/E) No. 5/2015 with the value of 300 million baht and the interest rate of 3.50 % per annum. The maturity date is within 90 days which will be on November 18, 2015. On September 1, 2015, the Company issued bill of exchange (B/E) No. 6/2015 with the value of 200 million baht and the interest rate of 3.55 % per annum. The maturity date is within 90 days which will be on November 30, 2015. On November 18, 2015, the Company issued bill of exchange (B/E) No. 7/2015 with the value of 300 million baht and the interest rate of 3.45 % per annum. The maturity date is within 90 days which will be on February 15, 2016. On November 30, 2015, the Company issued bill of exchange (B/E) No. 8/2015 with the value of 200 million baht and the interest rate of 3.55 % per annum. The maturity date is within 90 days which will be on February 26, 2016.	1.64			
				2.48		
				1.69		
				2.48		
				1.71		
				2.57		
				1.73		
				2.50		
				1.70		

Board of Directors' Responsibility for Financial Reporting

The management has prepared the financial statement ended on December 31, 2015 according to the generally certified accounting standard by choosing to use the appropriate and regularly used policy including using judgment carefully and reasonably in preparation of financial statement and disclose the important information adequately in the remarks of the financial statement.

The Board of directors realized the responsibility for supervising the financial report to be efficient by appointing an audit and corporate governance committee consisting of qualified persons to be responsible for supervision of the quality of the financial report to be accurate and complete, using appropriate and regularly used policy including validation to have the company got sufficient and appropriate internal control system and participation in evaluation of risk for the company. In order to protect and reduce risks which may occur from fraudulent or abnormal operation significantly and adequacy to maintain the company asset.

From the practical methods and supervision mentioned above, the committee agreed that the financial of AIRA Factoring Public Company Limited as at December 31, 2015 has shown the financial statement and operational results correctly, reliably, compliance with the generally certified accounting standard and practiced in accordance with the laws and related regulations


(Mr. Sorasit Soontornkes)
Chairman


(Mrs. Ladavan Tanatanit)
Chairman of Executive Committee

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 Chairman 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 2015, 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 and join for risk management. 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 2015, 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 2016 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 2015, 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)
Chairman of the Audit Committee
February 17, 2016

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 2015, 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 2015, 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: 24 February 2016

AIRA Factoring Public Company Limited

Statement of financial position

As at 31 December 2015

		(Unit: Baht)	
		As at	As at
	Note	31 December 2015	31 December 2014
Assets			
Current assets			
Cash and cash equivalents	8	5,405,308	45,533,112
Factoring receivables	9	2,349,173,186	2,419,326,743
Current portion of loans receivable	10	5,421,046	50,816,016
Other receivables		300,031	222,150
Other current assets		545,667	415,392
Total current assets		2,360,845,238	2,516,313,413
Non-current assets			
Loans receivable	10	-	64,100,254
Equipment	11	9,248,153	12,645,687
Intangible assets		414,230	-
Deposits and guarantees		1,119,047	1,153,447
Deferred tax assets	19	5,277,843	4,741,505
Assets held for sale	12	9,853,200	11,150,000
Total non-current assets		25,912,473	93,790,893
Total assets		2,386,757,711	2,610,104,306

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

AIRA Factoring Public Company Limited
Statement of financial position (continued)
As at 31 December 2015

		(Unit: Baht)	
		As at	As at
	Note	31 December 2015	31 December 2014
Liabilities and shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans			
from financial institutions	7, 13	1,727,291,772	2,165,749,165
Retentions from factoring		46,278,533	47,366,119
Other payables		2,809,885	2,197,763
Income tax payable		5,806,636	7,067,195
Other current liabilities	14	18,896,184	24,869,776
Total current liabilities		<u>1,801,083,010</u>	<u>2,247,250,018</u>
Non-current liabilities			
Provision for long-term employee benefits	15	13,372,273	11,006,546
Other non-current liabilities		631,411	394,632
Total non-current liabilities		<u>14,003,684</u>	<u>11,401,178</u>
Total liabilities		<u>1,815,086,694</u>	<u>2,258,651,196</u>
Shareholders' equity			
Share capital	16		
Registered			
1,600,000,000 ordinary shares of Baht 0.25 each			
(31 December 2014: 40,000,000 ordinary shares			
of Baht 5 each)		400,000,000	200,000,000
Issued and fully paid-up			
1,600,000,000 ordinary shares of Baht 0.25 each			
(31 December 2014: 40,000,000 ordinary shares			
of Baht 5 each)		400,000,000	200,000,000
Share premium		75,844,889	35,844,889
Capital contribution from parent company		319,372	246,438
Retained earnings			
Appropriated - statutory reserve	17	19,710,000	19,700,000
Unappropriated		75,796,756	95,661,783
Total shareholders' equity		<u>571,671,017</u>	<u>351,453,110</u>
Total liabilities and shareholders' equity		<u>2,386,757,711</u>	<u>2,610,104,306</u>
		-	-

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

AIRA Factoring Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2015

		(Unit: Baht)	
	Note	2015	2014
			(Restated)
Profit or loss:			
Revenues			
Interest income from factoring		155,960,934	147,823,964
Fees and services income		30,970,555	30,371,366
Other income		4,260,318	7,693,366
Total revenues		191,191,807	185,888,696
Expenses			
Administrative expenses		127,163,228	97,112,848
Total expenses		127,163,228	97,112,848
Profit before finance cost			
and income tax expenses		64,028,579	88,775,848
Finance cost	7	(51,033,204)	(53,027,679)
Profit before income tax expenses		12,995,375	35,748,169
Income tax expenses	19	(12,850,402)	(12,570,262)
Profit for the year		144,973	23,177,907
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified</i>			
<i>to profit or loss in subsequent periods:</i>			
Actuarial gains - net of income tax		-	1,725,007
Other comprehensive income not to be reclassified			
to profit or loss in subsequent period - net of income tax		-	1,725,007
Other comprehensive income for the year		-	1,725,007
Total comprehensive income for the year		144,973	24,902,914
Earnings per share	20		
Basic earnings per share			
Profit for the year		0.0001	0.0290

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

AIRA Factoring Public Company Limited**Cash flow statement****For the year ended 31 December 2015**

		(Unit: Baht)	
	Note	2015	2014
			(Restated)
Cash flows from operating activities			
Profit before tax		12,995,375	35,748,169
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation		4,629,918	4,626,154
Bad debt and doubtful accounts		52,349,615	27,860,701
Gain on sales of equipment		-	(2,011)
Allowance for impairment loss on assets held for sale		1,296,800	1,150,000
Provision for long-term employee benefits		2,615,727	2,269,741
Share-based payment transactions		72,934	143,387
Interest expenses		51,033,204	53,027,679
Profit from operating activities before changes in operating assets and liabilities		124,993,573	124,823,820
Operating assets (increase) decrease			
Factoring receivables		80,824,422	202,903,251
Loans receivable		48,990,613	(6,917,124)
Other receivables		(2,593,750)	(105,092)
Other current assets		(130,275)	1,036,845
Deposits and guarantees		34,400	39,344
Operating liabilities increase (decrease)			
Retentions from factoring		(1,087,586)	(5,474,018)
Other payables		(115,172)	(398,394)
Other current liabilities		(5,973,592)	(62,538,446)
Cash paid for long-term employee benefits		(250,000)	(3,990,000)
Other non-current liabilities		236,779	236,779
Cash flows from operating activities		244,929,412	249,616,965
Cash paid for corporate income tax		(14,647,300)	(12,226,906)
Net cash flows from operating activities		230,282,112	237,390,059

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

AIRA Factoring Public Company Limited
Cash flow statement (continued)
For the year ended 31 December 2015

			(Unit: Baht)
	Note	2015	2014
			(Restated)
Cash flows from investing activities			
Acquisition of equipment		(1,232,384)	(3,563,879)
Acquisition of intangible assets		(414,230)	-
Proceeds from sales of equipment		-	5,800
Net cash flows used in investing activities		(1,646,614)	(3,558,079)
Cash flows from financing activities			
Decrease in short-term loans from financial institutions		(440,362,775)	(187,000,000)
Cash received from increasing share capital		240,000,000	-
Interest paid		(48,400,527)	(60,724,642)
Dividend paid		(20,000,000)	(28,000,000)
Net cash flows used in financial activities		(268,763,302)	(275,724,642)
Net decrease in cash and cash equivalents		(40,127,804)	(41,892,662)
Cash and cash equivalents at beginning of year		45,533,112	87,425,774
Cash and cash equivalents at end of year	8	5,405,308	45,533,112
		-	-
Supplemental cash flow information			
Non-cash item			
Actuarial gains - net of income tax		-	1,725,007

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

AIRA Factoring Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2015

	Issued and fully paid-up share capital	Share premium	Capital contribution from parent company	Retained earnings	Total shareholders' equity
				Appropriated	Unappropriated
Balance as at 31 December 2013	200,000,000	35,844,889	103,051	18,200,000	100,258,869
Profit for the year	-	-	-	-	23,177,907
Other comprehensive income for the year	-	-	-	-	1,725,007
Total comprehensive income for the year	-	-	-	-	24,902,914
Share-based payment transactions	-	-	143,387	-	143,387
Dividends paid (Note 23)	-	-	-	-	(28,000,000)
Transferred to statutory reserve (Note 17)	-	-	-	1,500,000	(1,500,000)
Balance as at 31 December 2014	200,000,000	35,844,889	246,438	19,700,000	351,453,110
Balance as at 31 December 2014	200,000,000	35,844,889	246,438	19,700,000	351,453,110
Profit for the year	-	-	-	-	144,973
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	144,973
Increase share capital (Note 16)	200,000,000	40,000,000	-	-	240,000,000
Share-based payment transactions	-	-	72,934	-	72,934
Dividends paid (Note 23)	-	-	-	-	(20,000,000)
Transferred to statutory reserve (Note 17)	-	-	-	10,000	(10,000)
Balance as at 31 December 2015	400,000,000	75,844,889	319,372	19,710,000	571,671,017
	-	-	-	-	-
	-	-	-	-	-

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

AIRA Factoring Public Company Limited

Notes to financial statements

For the year ended 31 December 2015

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 year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

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

The Company has changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period's transactions and restated the prior period's financial statements, presented as comparative information, as if the Company had always applied this accounting policy. The cumulative effect of change in accounting policy is presented in Note 4 to 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 measurement. 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 effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Cumulative effect of change in accounting policy due to the adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current year, the Company has changed some of their accounting policies, as a result of the adoption of new and revised financial reporting standards.

The cumulative effect of the change in accounting policy due to the adoption of new and revised financial reporting standards and restatement of the financial statements comprises:

	(Unit: Thousand Baht)
	<u>2014</u>
Cumulative effect of change in accounting policy relating to:	
Employee benefits	<u>2,156</u>
Total	<u>2,156</u>

The amounts of adjustments affecting the statements of comprehensive income are summarised below.

	(Unit: Thousand Baht)
	For the year ended
	<u>31 December 2014</u>
Statements of comprehensive income profit or loss:	
Increase in administrative expenses	2,156
Decrease in income tax expenses	(431)
Decrease in profit	(1,725)
Other comprehensive income:	
Increase in actuarial gains	1,725
Increase in other comprehensive income	1,725
Earnings per share (Baht):	
Decrease in basic earnings per share	(0.0022)

5. Significant accounting policies

5.1 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.

5.2 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.

5.3 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.

5.4 Factoring receivables

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

5.5 Loans receivable

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

5.6 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.

5.7 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.

5.8 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.

5.9 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.

5.10 Long-term leases

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

5.11 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.

5.12 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 other comprehensive income.

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.

5.13 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.

5.14 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.

5.15 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.

6. 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.

7. Related party transactions

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

Name of entities	Nature of relationships
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)

	2015	2014	Transfer Pricing Policy
<u>Transactions with related company</u>			
Interest expenses	19	13	Money market rate

As at 31 December 2015 and 2014, the balances of the accounts between the Company and a related company are as follows:

(Unit: Thousand Baht)

	2015	2014
Short-term loans from financial institutions - related party		
Related company	497,655	1,195,749

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

(Unit: Thousand Baht)

	Balance as at 31 December			Balance as at 31 December
Short-term loans	2014	Increase	Decrease	2015
<u>AIRA Securities Public</u>				
<u>Company Limited</u>				
Related by common shareholders				
Face value of bill of exchange	1,200,000	2,000,000	(2,700,000)	500,000
Prepaid interest expenses	(4,251)	(16,870)	18,776	(2,345)
Bill of exchange - net	1,195,749	1,983,130	(2,681,224)	497,655

As at 31 December 2015, short-term loans from a related company are bills of exchange with face values of Baht 300 million and Baht 200 million, which carry interest at market interest rates and mature on 15 February 2016 and 26 February 2016, respectively.

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)	
	2015	2014
Short-term employee benefits	17	18
Post employment benefits	1	1
Total	18	19

8. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2015	2014
Cash	10	10
Deposits at financial institutions	5,395	45,523
Total	5,405	45,533

As at 31 December 2015, bank deposits in saving accounts carried interests at 0.375% per annum (2014: 0.50% per annum).

9. Factoring receivables

	(Unit: Thousand Baht)	
	2015	2014
Factoring receivables	2,815,343	2,918,712
Accrued interest income from factoring	6,054	7,111
Total	2,821,397	2,925,823
Less: Factoring payables	(416,575)	(434,583)
Unearned interest income	(13,054)	(14,602)
	2,391,768	2,476,638
Less: allowance for doubtful accounts	(42,595)	(57,311)
Factoring receivables - net	2,349,173	2,419,327

The balances of factoring receivables as at 31 December 2015 and 2014, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)		
Age of factoring receivables	2015	2014
Not yet due	2,667,214	2,773,063
Past due		
Up to 3 months	66,732	51,498
3 - 6 months	792	1,707
Over 6 months	80,605	92,444
Total factoring receivables	2,815,343	2,918,712

As at 31 December 2015, factoring receivables which were overdue for over 6 months amounting to Baht 81 million (2014: Baht 92 million) before setting off the amount repayable to the transferor upon settlement of the factored debts amounting to Baht 23 million (2014: Baht 29 million). The Company has provided a full amount of allowance for doubtful accounts for such net receivables.

10. Loans receivable

(Unit: Thousand Baht)						
	Current portion of loans receivable		Loans receivable		Total	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Loans receivable	12,369	50,816	53,672	64,215	66,041	115,031
Less : Allowance for doubtful accounts	(6,948)	-	(53,672)	(115)	(60,620)	(115)
Loans receivable - net	5,421	50,816	-	64,100	5,421	114,916

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 2015, the Company received interest payments totaling Baht 0.11 million (2014: the Company received principal and interest payments totaling Baht 3 million and 4 million, respectively).

As at 31 December 2015 and 2014, the loan receivable balance amounted to Baht 61 million.

11. Equipment

(Unit: Thousand Baht)

	Computers	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost:					
1 January 2014	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
Additions	936	255	42	-	1,233
31 December 2015	5,332	10,316	920	14,902	31,470
Accumulated depreciation:					
1 January 2014	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
Depreciation for the year	694	1,826	127	1,984	4,631
31 December 2015	4,282	5,935	652	11,353	22,222
Net book value:					
31 December 2014	808	5,952	353	5,533	12,646
31 December 2015	1,050	4,381	268	3,549	9,248
Depreciation for the year					
2014					4,626
2015					4,631

As at 31 December 2015, 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 11 million (2014: Baht 9 million).

12. Assets held for sale

Details of assets held for sale are as follows:

	(Unit: Thousand Baht)	
	2015	2014
Machinery	12,300	12,300
Less: Allowance for impairment loss on assets held for sale	(2,447)	(1,150)
Machinery - net	9,853	11,150

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

13. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	2015	2014
Short-term loans from financial institutions			
Bank overdrafts	MOR	637	-
Promissory notes	3.00 - 3.75	1,229,000	970,000
Bill of exchange - related party	3.40 - 3.55	500,000	1,200,000
Less: Prepaid interest expenses		(2,345)	(4,251)
Total		1,727,292	2,165,749

As at 31 December 2015, 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 2015, the credit facilities of the Company which have not yet been drawn down amounted to Baht 1,030 million (2014: Baht 1,290 million).

14. Other current liabilities

(Unit: Thousand Baht)

	2015	2014
Excess receipts awaiting to repay	18,050	23,518
Other current liabilities	846	1,352
Total	18,896	24,870

15. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)	
	2015	2014
Defined benefit obligation at beginning of year	11,007	14,883
Included in profit or loss:		
Current service cost	1,994	1,750
Interest cost	385	520
Past service costs and gains or losses on settlement	236	-
Included in other comprehensive income:		
Actuarial gain arising from		
Financial assumptions change	-	(1,545)
Experience adjustments	-	(611)
Benefits paid during the year	(250)	(3,990)
Provisions for long-term employee benefits at end of year	13,372	11,007

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

	(Unit: Thousand Baht)	
	2015	2014
Current service cost	1,994	1,750
Interest cost	385	520
Past service costs and gains or losses on settlement	236	-
Total expense recognized in profit or loss	2,615	2,270

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

The Company expects to pay Baht 0.02 million of long-term employee benefits during the next year (2014: Baht 0.01 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 13 years (2014: 13 years).

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

	2015	2014
	(% per annum)	(% per annum)
Discount rate	3.5	3.5
Future salary increase rate	7.0	7.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	(Unit: Million Baht)			
	Discount rate		Salary increase rate	
	Increase 0.5%	Decrease 0.5%	Increase 1%	Decrease 1%
Impact on the long-term				
employee benefit obligation	(1.1)	0.5	1.5	(1.9)

16. Share capital

On 21 August 2015, the Extraordinary General Meeting of the Company's shareholders passed the following resolutions.

- 1) To approve a change in the par value of the Company's ordinary shares from Baht 5.00 per share to Baht 0.25 per share.
- 2) To approve an increase in the registered share capital of the Company from Baht 200 million to Baht 400 million, through the issuance of 800 million additional ordinary shares at a par value of Baht 0.25 each to the existing shareholders. The newly issued ordinary shares will be allotted to the existing shareholders at a ratio of 1 existing ordinary share to 1 newly issued ordinary share, at a price of Baht 0.30 per share.

The Company registered a change in the par value of the ordinary shares with the Ministry of Commerce on 25 August 2015 and the increase in its share capital with the Ministry of Commerce on 30 September 2015. The additional shares of the Company were traded in the Market for Alternative Investment (MAI) from 6 October 2015.

17. Statutory reserve

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

18. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2015	2014
Salaries, wages and other employee benefits	45,148	41,827
Depreciation	4,630	4,626
Bad debt and doubtful accounts	52,350	27,861
Specific business tax	6,304	6,133
Examination fess on factoring documents	2,822	2,742
Office rental expense	4,153	4,153

19. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2015</u>	<u>2014</u>
Current income tax:		
Current income tax charge	13,387	12,018
Deferred tax:		
Relating to origination and reversal of temporary differences	<u>(537)</u>	<u>552</u>
Income tax expense reported in the statement of comprehensive income	<u>12,850</u>	<u>12,570</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	<u>2015</u>	<u>2014</u>
Deferred tax relating to actuarial gains	-	431

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

(Unit: Thousand Baht)

	<u>2015</u>	<u>2014</u>
Accounting profit before tax	<u>12,995</u>	<u>35,748</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	2,599	7,149
Unrecognised temporary differences	9,904	5,308
Effects of:		
Non-deductible expenses	396	155
Additional expense deductions allowed	(49)	(42)
Total	<u>347</u>	<u>113</u>
Income tax expenses reported in the statement of comprehensive income	<u>12,850</u>	<u>12,570</u>

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

(Unit: Thousand Baht)

	<u>Statements of financial position</u>	
	<u>As at</u>	<u>As at</u>
	<u>31 December</u>	<u>31 December</u>
	<u>2015</u>	<u>2014</u>
Deferred tax assets		
Allowance for doubtful accounts	1,988	2,231
Allowance for impairment loss on assets held for sale	489	230
Provision for long-term employee benefits	2,675	2,201
Accrued rental expense	<u>126</u>	<u>79</u>
Total	<u>5,278</u>	<u>4,741</u>

As at 31 December 2015, the Company has deductible temporary differences totalling Baht 96 million (2014: Baht 46 million), on which deferred tax assets have not been recognised as the Company believes that it is unlikely that the tax benefits can be utilised.

20. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares in proportion to the change in the par value of the shares from Baht 5.00 per share to Baht 0.25 per share as discussed in Note 16. The number of ordinary shares of the prior year used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the par value of the shares as a result of the change in the par value of the shares had been occurred at the beginning of the earliest period reported.

	2015	2014
Profit for the year (Thousand Baht)	145	23,178
Weighted average number of ordinary shares (Thousand shares)	1,021,370	800,000
Earnings per share (Baht/share)	0.0001	0.0290

21. 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.

22. 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 5% - 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. The contribution for the year 2015 amounting to approximately Baht 2 million (2014: Baht 2 million) were recognised as expenses.

23. Dividends

Dividend	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
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
Dividend from the 2014 net income	Annual General Meeting of the shareholders on 20 April 2015	20,000	0.50
Total for 2015		20,000	0.50

24. Commitments and contingent liabilities

24.1 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of office building space and service agreements. 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	
	2015	2014
Payable:		
In up to 1 year	4	5
In over 1 and up to 5 years	19	18
In over 5 years	7	12

25. Financial instruments

25.1 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, bank overdrafts and 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, 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 2015

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalents	-	-	-	-	5	5	-
Factoring receivables	2,349	-	-	-	-	2,349	5.85 - 15.00
Loans receivable	5	-	-	-	-	5	6.00 - 9.93
	2,354	-	-	-	5	2,359	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	443	-	-	1,284	-	1,727	3.15 - 3.75, MOR
Retentions from factoring	-	-	-	-	46	46	-
Other payables	-	-	-	-	3	3	-
	443	-	-	1,284	49	1,776	

(Unit: Million Baht)

As at 31 December 2014

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalents	-	-	-	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							
Bank overdrafts and 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	

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.

25.2 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.

26. 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 2015, the Company's debt-to-equity ratio was 3.17:1 (2014: 6.43:1).

27. Event after the reporting period

On 24 February 2016, the Board of Directors of the Company passed a resolution to propose a dividend payment from retained earnings of Baht 0.01 per share, or a total of Baht 16 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.

28. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2016.

Financial Performance Explanation and Analysis

Financial Performance Explanation and Analysis

- Concerning the overall performance of the company during 2015, the company achieved total revenue of 191.19 Million Baht, an increase of 5.3 Million Baht or 2.69% from the previous year. The main reason for a slight increase in revenue for 2015 was due to a steady Thai economy with no clear sign of further economic growth leading to less purchasing power of the economy. Moreover, the company continues to strictly control the quality of the customers.

A significant event on 30th September 2015, the company registered to change the existing par value of common stock 5.00 Baht per share to 0.25 Baht per share and increased the paid-up capital from 200 Million Baht to 400 Million Baht.

- Economic Environment and Affecting Factors to The Performance

Overall picture, there was insubstantial growth in the factoring business for 2015 following the direction of the Thai economy for the same period. For the first half of 2015, the economy deteriorated due to various negative factors such as: not yet improved on price of agricultural products that adversely impacted the agricultural household income sector, the unexpected slow down of the Chinese economy, and the decrease in the global price of commodities lowering the amount of export for Thailand. Thailand's main income, from exports, was contracted by 4.8% in 2015 where in previous years, exports contributed to more than 40% of total GDP while deferred government investment on mega projects which are the key driven of Thai economy. In addition the household debt increased the exceeding 80% of GDP, information sourced from the Bank of Thailand. Overall, since the beginning of the year, consumer confidence continuously declined, influencing the revenue of goods and services where directly affecting the factoring. For the second half of 2015, the factoring business gradually improved due to continuous support by the government to stimulate the economy.

- Analysis of the Performance for 2015 and 2014

Analysis of the performance for 2015 and 2014 are as follows:

Performance and Profitability

For the year 2015 and 2014, interest income from factoring were 155.96 Million Baht and 147.82 Million Baht respectively or equivalent to 81.57% and 79.52% of total revenues respectively, grew by 5.50% due to the increased volume of factoring. The fees and services income were 30.97 Million Baht and 30.37 Million Baht respectively or equivalent to 16.20% and 16.34% respectively or rose by 1.97%. The company's other income mainly derived from deposit interest, they were 4.26 Million Baht and 7.7 Million Baht respectively or equivalent to 2.23% and 4.14% respectively and decreased by 44.62%. Total revenues were 191.19 Million Baht and 185.88 Million Baht respectively. Finance costs were 51.03 Million Baht and 53.03 Million Baht respectively or equivalent to 26.69% and 28.53% respectively and dropped by 3.76%. Resulting to the company's gross profit were 135.90 Million Baht and 125.17 Million Baht respectively or equivalent to 72.70% and 70.24% of core income respectively or increased by 8.57% due to core income which derived from interest income from factoring, fees and services income grew by 7.47% while finance cost dropped by 3.76%

(Units : Thousand Baht)

Statement of Comprehensive Income	31 Dec 15	%	31 Dec 14	%	Change	
					Amount	%
Revenues						
Interest income from factoring	155,961	81.6%	147,824	79.5%	8,137	5.5%
Fees and services income	30,971	16.2%	30,371	16.3%	599	2.0%
Finance cost	(51,033)	26.7%	(53,028)	28.5%	1,994	- 3.8%
Gross income*	135,898	72.7%	125,168	70.2%	10,731	8.6%
Other income	4,260	2.2%	7,693	4.1%	(3,433)	- 44.6%
Total revenues	191,192	100.0%	185,889	100.0%	5,303	2.9%

* Gross income percentage is calculated from the Gross income divided by the core revenue which the core revenue includes Interest income from factoring and Income from fees and services where it corresponds to the core business of the company

For the year 2015 and 2014, the company's administrative expenses were 127.16 Million Baht and 97.11 Million Baht or equivalent to 66.51% and 52.24% and increased by 30.94% due to the company set the additional provision of doubtful debts for all overdue amounts which exceeded 180 days, full provision value (100%). However, this did not result to negative bottom line. In year 2015, the company had net profit of 0.15 Million Baht or equivalent to 0.08% and Return on Equity at 0.03%.

(Units : Thousand Baht)

Statement of Comprehensive Income	31 Dec 15	%	31 Dec 14	%	Change	
					Amount	%
Expenses						
Administrative expenses	(127,163)	66.5%	(97,113)	52.2%	(30,050)	30.9%
Profit before income tax expenses	12,995	6.8%	35,748	19.2%	(22,753)	-63.6%
Income tax expenses	(12,850)	6.7%	(12,570)	6.8%	(280)	2.2%
Profit for the year	145	0.1%	23,178	12.5%	(23,033)	-99.4%
Other comprehensive income:						
Other comprehensive income not to be reclassified	0		0			
to profit or loss in subsequent periods:						
Actuarial gains - net of income tax	0		1,725			
Total comprehensive income for the year	145	0.1%	24,903	13.4%	(24,758)	-99.4%

Financial Status

The company's total assets, ending 2015 and 2014, were 2,386.76 Million Baht and 2,610.10 Million Baht respectively, decreased by 223.35 Million Baht or dropped by 8.56%.

Current assets, ending 2015 and 2014, were 2,360.85 Million Baht and 2,516.31 Million Baht respectively or equivalent to 98.91% and 96.41% respectively. Current assets comprised of the following:

1. Cash and cash equivalents, ending 2015 and 2014, were 5.41 Million Baht and 45.53 Million Baht respectively, equivalent to 0.23% and 1.74% of total assets respectively. At the end of 2015, the decrease cash and cash equivalents owed to the repayment of short-term loans from financial institutions for the purpose of interest expense reduction.
2. Factoring Receivables, ending 2015 and 2014, were 2,349.17 Million Baht and 2,419.33 Million Baht respectively or equivalent to 98.43% and 92.69% of total assets respectively, decreased by 70.15 Million Baht or 2.90%. Because factoring receivables were due and paid during November and December 2015.
3. Net of current portion of loans receivable, ending 2015 and 2014, were 5.42 Million Baht and 50.82 Million Baht respectively or equivalent to 0.23% and 1.95% of total assets.

Non-current assets, ending 2015 and 2014, were 25.91 Million Baht and 93.79 Million Baht respectively or equivalent to 1.09% or 3.59% of total assets respectively, dropped by 67.88 Million Baht or 72.37%. Owing to the reduction of net loans receivable derived from the additional provision for doubtful debts but not resulting to negative bottom line.

(Units : Thousand Baht)

Balance Sheet	31 Dec 15	%	31 Dec 14	%	Change	
					Amount	%
Current assets						
Cash and cash equivalents	5,405	0.2%	45,533	1.7%	(40,128)	-88.1%
Factoring receivables	2,349,173	98.4%	2,419,327	92.7%	(70,154)	-2.9%
Current portion of loans receivable	5,421	0.2%	50,816	1.9%	(45,395)	-89.3%
Other receivables	300	0.0%	222	0.0%	78	35.1%
Other current assets	546	0.0%	415	0.0%	130	31.4%
Total current assets	2,360,845	98.9%	2,516,313	96.4%	(155,468)	-6.2%
Non-current assets						
Loans receivable	0	0.0%	64,100	2.5%	(64,100)	-100.0%
Equipment	9,248	0.4%	12,646	0.5%	(3,398)	-26.9%
Intangible assets	414	0.0%	0	0.0%	414	#DIV/0!
Deposits and guarantees	1,119	0.0%	1,153	0.0%	(34)	-3.0%
Deferred tax assets	5,278	0.2%	4,742	0.2%	536	11.3%
Assets held for sale	9,853	0.4%	11,150	0.4%	(1,297)	-11.6%
Total non-current assets	25,912	1.1%	93,791	3.6%	(67,878)	-72.4%
Total assets	2,386,758	100.0%	2,610,104	100.0%	(223,347)	-8.6%

Total liabilities, ending 2015 and 2014, were 1,815.09 Million Baht and 2,258.65 Million Baht respectively or equivalent to 76.05% and 86.53% of total liabilities and equity respectively, decreased by 443.57 Million Baht or 19.64%. Because current liabilities, bank overdrafts and short-term loans from financial institutions as at ending 2015 and 2014, had 1,727.29 Million Baht and 2,165.75 Million respectively or equivalent to 72.37% or 82.98% of total liabilities and equity respectively or dropped by 438.46 Million Baht or 20.25% owed to factoring receivables due and paid during November and December 2015 together with cash received from increasing capital. The company used the said funds to service short-term loans repayment for lower interest expenses.

(Units : Thousand Baht)

Balance Sheet	31 Dec 15	%	31 Dec 14	%	Change	
					Amount	%
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	1,727,292	72.4%	2,165,749	83.0%	(438,457)	-20.2%
Retentions from factoring	46,279	1.9%	47,366	1.8%	(1,088)	-2.3%
Other payables	2,810	0.1%	2,198	0.1%	612	27.9%
Income tax payable	5,807	0.2%	7,067	0.3%	(1,261)	-17.8%
Other current liabilities	18,896	0.8%	24,870	1.0%	(5,974)	-24.0%
Total current liabilities	1,801,083	75.5%	2,247,250	86.1%	(446,167)	-19.9%
Non-current liabilities						
Provision for long-term employee benefits	13,372	0.6%	11,007	0.4%	2,366	21.5%
Other non-current liabilities	631	0.0%	395	0.0%	237	60.0%
Total non-current liabilities	14,004	0.6%	11,401	0.4%	2,603	22.8%
Total liabilities	1,815,087	76.0%	2,258,651	86.5%	(443,565)	-19.6%

Liquidity and Capital Adequacy

For the end of 2015 and 2014, shareholders' equity was 571.67 Million Baht and 351.45 Million Baht or equivalent to 23.95% and 13.47% of total liabilities and equity respectively, rose by 220.22 Million Baht or 62.66%. During 2015, the company increased the registered capital from 200 Million Baht to 400 Million Baht, issued and fully paid-up, as well as an increase of 40 Million Baht in share premium. Moreover, at the end of 2015 the company recorded retained earnings of 95.51 Million Baht (the company paid dividend amounting to 20 Million Baht on the 20 April 2015).

(Units : Thousand Baht)

Balance Sheet	31 Dec 15	%	31 Dec 14	%	Change	
					Amount	%
Shareholders' equity						
Share capital - issued and fully paid-up	400,000	16.8%	200,000	7.7%	200,000	100.0%
Share premium	75,845	3.2%	35,845	1.4%	40,000	111.6%
Capital contribution from parent company	319	0.0%	246	0.0%	73	29.6%
Retained earnings Appropriated - statutory reserve	19,710	0.8%	19,700	0.8%	10	0.1%
Unappropriated	75,797	3.2%	95,662	3.7%	(19,865)	-20.8%
Total shareholders' equity	571,671	24.0%	351,453	13.5%	220,218	62.7%
Total liabilities and shareholders' equity	2,386,758	100.0%	2,610,104	100.0%	(223,347)	-8.56%

For the year 2015 and 2014, the company's debt to equity ratio stood at 3.18 times and 6.43 times respectively, decreased by 3.25 times.

As at the end of 2015, the company had available credit facilities which had not yet been drawn down amounted to 1,030 Million Baht, indicating the company has capital and adequacy funding sources, low financial risk and liquidity for carry on business operations.

Commitments and Contingent Liabilities

The company has entered into lease agreements in respect of the lease of office building space and service agreements. The terms of the agreements are generally 9 years. Future minimum lease payments required under these non-cancellable operating leases.

Factors which may adversely impact to the performance

Credit Risk

The company is exposed the 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 both customers and clients included the continually follow up overdue customers. During 2015, the company has set up 2 departments, 1. Credit Evaluation Department and 2. Debt Recovery Department in order to reduce credit risk accordingly.

Interest Rate Risk

The operation of the company depends on the volatility of the interest rate. Therefore, the company has taken measure to decrease interest rate risk by borrowing from lenders with similar conditions to the factoring receivables for retaining interest spread as required and the company is able to change the interest charges to the factoring receivables. Therefore, the company has flexibility during volatile interest rate.

Liquidity Risk

The company's 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. The company manages the liquidity with assistance from financial institutions and corporate alliances in both normal and critical circumstances. Moreover, the company is able to efficiently manage the liquidity between cost and return.



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