

# Annual Report 2016



**AIRA Capital Public Company Limited**

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# Contents

|     |                                                          |     |
|-----|----------------------------------------------------------|-----|
| 1.  | VISION AND MISSION                                       | 2   |
| 2.  | MESSAGE FROM THE CHAIRMAN OF THE BOARD                   | 3   |
| 3.  | MESSAGE FROM THE CHIEF EXECUTIVE OFFICER                 | 4   |
| 4.  | BOARD OF DIRECTORS                                       | 5   |
| 5.  | EXECUTIVE OFFICERS                                       | 11  |
| 6.  | SHAREHOLDING STRUCTURE OF THE AIRA GROUP                 | 14  |
| 7.  | BUSINESS OPERATIONS                                      | 15  |
| 8.  | RISK FACTORS                                             | 19  |
| 9.  | DIVIDEND PAYMENT POLICY                                  | 24  |
| 10. | LEGAL DISPUTES                                           | 24  |
| 11. | GENERAL INFORMATION OF THE COMPANY                       | 25  |
| 12. | MAJOR SHAREHOLDERS                                       | 27  |
| 13. | MANAGEMENT                                               | 28  |
| 14. | ATTENDANCE AT THE MEETING OF THE BOARD OF DIRECTOR       | 49  |
| 15. | SHARES HELD BY MEMBERS OF THE BOARD OF DIRECTORS         | 50  |
| 16. | REMUNERATION OF DIRECTORS AND SUBCOMMITTEES              | 51  |
| 17. | RELATED PARTY TRANSACTIONS                               | 52  |
| 18. | MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)                | 82  |
| 19. | CODE OF CONDUCT                                          | 89  |
| 20. | ANTI-CORRUPTION                                          | 96  |
| 21. | GOOD CORPORATE GOVERNANCE REPORT                         | 97  |
| 22. | AUDIT COMMITTEE REPORT                                   | 113 |
| 23. | RISK MANAGEMENT COMMITTEE REPORT                         | 115 |
| 24. | REPORT OF THE BOARD OF DIRECTORS ON FINANCIAL STATEMENTS | 116 |
| 25. | AUDITOR'S REPORT                                         | 117 |
| 26. | FINANCIAL STATEMENT                                      | 123 |
| 27. | NOTE TO FINANCIAL STATEMENT                              | 133 |
| 28. | AUDIT'S FEE                                              | 205 |
| 29. | CORPORATE SOCIAL RESPONSIBILITY                          | 206 |
| 30. | ACTIVITIES IN 2016                                       | 208 |

## VISION

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“ We are determined to be a leading financial group company with an international network and alliance which can respond to our customer’s demands, providing a diverse and comprehensive range of financial products and services ”

## MISSION

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Create the highest value under the good governance principle for all stakeholders’ interest, therefore;

|                         |                                                                                         |
|-------------------------|-----------------------------------------------------------------------------------------|
| <b>Shareholders :</b>   | Creates the highest total return to shareholders                                        |
| <b>Employee :</b>       | Enhance personnel potentiality and life quality of the employee                         |
| <b>Competitors :</b>    | Generate business competitiveness under the rules and regulations                       |
| <b>Clients :</b>        | Creates the highest satisfaction to clients                                             |
| <b>Creditor :</b>       | Strictly and fairly follows contracts and conditions                                    |
| <b>Compliance and :</b> | Strictly operate the business under the law and statute                                 |
| <b>State Agency</b>     | assigned by Compliance and State Agency, and working against corruption in every aspect |
| <b>Society :</b>        | Supports society and environment under corporate social responsibility concept          |

## A Note from the Chairman



“AIRA Capital Public Company Limited has investments in 10 subsidiary and associate companies that mainly cover financial and property business”



( Mr. Pakorn Malakul Na Ayudhya )  
Chairman  
AIRA Capital Public Company Limited

### Dear Shareholders:

The year 2016 was a triumphant year for AIRA Capital Public Company Limited as not only have we marked the first decade of our business, but throughout the year, we have also expanded our investment in various types of business as planned. We have partnered with capable and renowned foreign companies such as, AIFUL Corporation – a leading company in consumer finance from Japan, Kenedix Incorporation – a distinguished professional in asset and property fund management in Japan and in the international market, Travelex Limited – the world leader in foreign currency exchange from the United Kingdom, and Eugene Group – a Korean-based leading conglomerate in construction, logistics and financial services.

With the insightful vision of the Board of Directors that is full of experiences, know-how, and expertise in the business, as well as with warm supports and trusts we had received from our business alliances, financial institutions, and relevant government and private sectors, we have accomplished our goals. Currently, AIRA Capital Public Company Limited has investments in 10 subsidiary

and associate companies that mainly cover financial and property business. In the future, we are determined to develop our group into a leading financial group undoubtedly.

Furthermore, we have also participated in the “Private Sector Collective Action Coalition against Corruption” campaign to assure our shareholders and stakeholders that we are dedicated to the fight against corruption in all aspects, in order to create a better Thai society.

On behalf of AIRA Capital Public Company Limited, I would like to express my deepest gratitude to the shareholders, the stakeholders, and the business alliances, for all your continuing supports. I also would like to thank the management team and staff members, for dedicating your time and resources to leading AIRA toward our business goals and corporate vision and mission as well as adhering to good governance and social responsibility policy, so that we will be able to achieve the utmost sustainable benefits for all stakeholders.

Thank you.



## A Note from the CEO

“ In this forthcoming 2nd decade of AIRA Group, **we are determined to strengthen and develop our group more and more in order to achieve our goals.** ”



( Mrs. Nalinee Ngamsetthamas )

Chief Executive Officer

AIRA Capital Public Company Limited

Dear Shareholders:

AIRA Capital Public Company Limited, listed on the Market for Alternative Investment (MAI) on July 7th, 2014, is operating financial business as a Holding Company. We are the only one among those listed on the MAI that is a Holding Company emphasizing investment in financial business.

Our vision and mission are “to become a leading financial group with a comprehensive international network”, and “to serve the clients’ needs with a wide array of financial products and services”. We aim to be at the top of the non-bank financial institution.

Currently, we have been operating financial business for a decade, so successfully that we could expand our investment in many aspects. AIRA Capital Public Company Limited is the parent company that holds 10 subsidiary and associate companies, receiving supports from both domestic and overseas alliances.

As for our investment, we have joined with leading foreign alliances such as:

In 2015 - joining with AIFUL Corporation from Japan, to establish AIRA and AIFUL Public Company Limited, a joint venture company that provides consumer financial services. AIRA Capital holds 30% of the total registered shares.

In 2016 - joining with Travelex UK, to establish Travelex (Thailand) Company Limited, a company that operates worldwide foreign currency exchange business. AIRA Capital holds 38% of the total registered shares.

- Joining with Kenedix Asia from Japan, and with Eugene Group from Korea. Kenedix is a professional in asset and private fund management, while Eugene is a professional in financial and construction business. Each alliance earned 20% shares of AIRA Property Public Company Limited from AIRA Capital. We plan to apply both shareholders’ skills to stabilize our business.

Furthermore, in 2016, we have expanded our investment in leasing business by establishing AIRA Leasing Public Company Limited, to provide comprehensive leasing services such as financial lease and operating lease. AIRA Capital holds 80% of the total registered shares. Besides, in the end of 2016, we have established AIRA Venture Capital Company Limited, to invest in the business indicating high growth potential. AIRA Capital holds 99.99% of the shares.

In this forthcoming 2nd decade of AIRA Group, we are determined to strengthen and develop our group more and more in order to achieve our goals.

Finally, as the CEO of the company, I would like to express my sincere gratitude to the management team and to all staff members, for your utmost devotion to the company. I also would like to thank the shareholders, the clients, the business alliances, and all stakeholders, for your continuing trusts and supports all the time.

Thank you.



**Mr. Pakorn Malakul Na Ayudhya** Age 75 Years / Thai

**Title** Independent Director and Chairman of the Board of Director

**Date of appointment** February 25, 2015

**Shareholding** None, Spouse 982,316 shares ( 0.0174%) as of December 31, 2016

**Education / Training**

- B.Sc. Economics, The Queen's University of Belfast, Northern Ireland
- Diploma from the National Defense College

**Director Training from Thai Institute of Directors Association (IOD)**

- Financial Institutions Governance Program (FGP) class 3/2011
- Role of The Chairman Program (RCP) class 7/2002

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

- 2016 – present Independent Director and Chairman of the Board of Directors, AIRA Capital Public Company Limited
- 2014 – present Chairman of the Board of Directors, Interlink Telecom Public Company Limited

**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand**

- 2015 – present Chairman of the Board of Directors, AIRA Property Public Company Limited
- 2003 – present Chairman of the Board of Directors, TSFC Securities Public Company Limited
- 2002 – present Deputy Chairman, Chairman of the Nomination and Compensation Committee, and Audit Committee, Standard Charter Bank (Thai) Public Company Limited

**Position in Other Organization/Institutions**

- 2016 – present Chairman Associate of Capital Market Academy
- 2014 – present Expert on Corporate Governance and Social Responsibility, Stock Exchange of Thailand
- 2012 – present Sub Performance Agreement Committee of the Comptroller General's Department
- 2012 – Present Vice Chairman of the Institute of Research and Development for Public Enterprise

**Work Experience (5 Years Past Experiences)**

- 2014 – 2015 Chairman of MPG Corporate Public Company Limited
- 2007 – 2009 Chairman of Stock Exchange of Thailand
- 2000 – 2002 Deputy Governor of Bank of Thailand
- 1995 – 1999 Secretary General, The Securities and Exchange Commission

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None



**Mr. Nopporn Phicha** Age 69 Years / Thai

**Title** Independent Director and Chairman of Audit Committee

**Date of appointment** April 22, 2010

**Shareholding** 792,534 shares (0.0140%) as of December 31, 2016

**Education / Training**

- Bachelor of Agricultural Science, Kasetsart University
- Master of Economics program, National Institute of Development Administration (NIDA)

**Director Training from Thai Institute of Directors Association (IOD)**

- Corporate Governance for Capital Market Intermediaries (CGI) Class 3/2015
- Advance Audit Committee Program (AACP) Class 14/2014
- Directors Certification Program (DCP) Class 100/ 2009
- Directors Accreditation Program (DAP) Class 2/2003

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

- 2010 – present Chairman of Audit Committee and Independent Director, AIRA Capital Public Company Limited

**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand**

- 2015 – present Director, Siam Smile Broker (Thailand) Company Limited
- 2011 – present Qualified Outside Director, Chiang Mai University
- 2010 – present Director, Ratchaburi World Cogeneration Co.,Ltd.
- 2007 – present Honorary Advisor, Thai Agri-Foods Group
- 2006 – present Independent Director and Chairman of Audit Committee, AIRA Securities Public Company Limited

**Position in Other Organization/Institutions** None

**Work Experience (5 Years Past Experiences)**

- 2007 – 2015 Chairman, Viet World Company Limited
- 1997 – 2006 Independent Director and Audit Committee, Thai Agri-Foods Public Company Limited
- 2004 – 2006 Chairman of Audit Committee, Oishi Group Public Company

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None



**Mrs. Chiraporn Chemnasiri** Age 68 Years / Thai

**Title** Independent Director, Director of Audit Committee and Director of Good Governance Committee

**Date of appointment** April 22, 2010

**Shareholding** 482,487 shares, Spouse 9,866,108 shares (0.183247%) as of December 31, 2016

**Education / Training**

- Bachelor of Accounting, Chulalongkorn University

**Director Training from Thai Institute of Directors Association (IOD)**

- Advanced Audit Committee Program Class (AAP) Class 14/2014
- Corporate Governance for Capital Market Intermediaries (CGI) Class 0/2014
- Director Certification Program (DCP) Class 172 / 2013
- Audit Committee Program (ACP) Class 25/2009
- Director Accreditation Program (DAP) Class 71/2008

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

2010 – present Independent Director and Audit Committee, AIRA Capital Public Company Limited

**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand**

2008 – present Independent Director and Audit Committee, AIRA Securities Public Company Limited

1988 – present Director, Taraporn Company Limited

1989 – present Director, Managerial Excellent Limited

2005 – present Director, SRI Consultant Limited

1994 – present Director, Grid Business Solutions Limited

**Position in Other Organization/Institutions** None

**Work Experience (5 Years Past Experiences)**

1986 – 2009 Executive Vice President (Planning and Finance), Airports of Thailand Public Company Limited

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None



**Associate Professor Anchalee Pipatanasem** Age 65 Years / Thai

**Title** Independent Director and Audit Committee

**Date of appointment** April 22, 2010

**Shareholding** 439,993 shares, Spouse 982,316 shares (0.0252%) as of December 31, 2016

**Education / Training**

- Bachelor of Accounting (2nd Honors), Faculty of Commerce and Accountancy, Thammasat University
- MS (Accounting), Thammasat University
- Certificate Thammasat Leadership Program class 2/2013

**Director Training from Thai Institute of Directors Association (IOD)**

- Corporate Governance for Capital Market Intermediaries (CGI) Class 1/2014
- Role of the Chairman Program (RCP) Class 25/2011
- Audit Committee Program (ACP) Class 30/2010
- Monitoring of the Quality of Financial Reporting (MFR) Class 10/2010
- Monitoring the system of Internal Control and Risk Management (MIR) Class 8/2010
- Monitoring the Internal Audit Function (MIA) Class 7/2010
- Monitoring Fraud Risk Management (MFM) Class 2/2010
- Director Certification Program (DCP) Class 124/2009

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

2010 – present Independent Director and Chairman of the Audit Committee, AIRA Capital Public Company Limited

2009 – present Independent Director and Chairman of the Audit Committee, PRINSIRI Public Company Limited

**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand**

2009 – present Independent Director and Audit Committee, AIRA Securities Public Company Limited

**Position in Other Organization/Institutions**

2012 – present Contractual Teacher, Thammasat University  
1995 – present Committee of the Real Estate Business Program, Faculty of Commerce and Accountancy, Thammasat University

**Work Experience (5 Years Past Experiences)**

2007 – 2010 Head of Department of Accounting, Faculty of Commerce and Accountancy, Thammasat University  
2004 – 2007 Vicerector for Finance, Thammasat University

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None



**Associate Professor Niputh Jitprasonk** Age 74 Years / Thai

**Title** Director and Chairman of the Nomination and remuneration Committee

**Date of appointment** August 27, 2010

**Shareholding** 375,267 shares (0.0066%)  
as of December 31, 2016

**Education / Training**

- Bachelor of Accounting (Honors), Faculty of Commerce and Accountancy, Thammasat University
- M.B.A. in international Trade & Finance, Gothenburg School of Economics and Business Administration, Sweden

**Director Training from Thai Institute of Directors Association (IOD)**

- Audit Committee Program (ACP) Class 25/2009
- Monitoring the System of Internal Control and Risk Management (MIR) Class 5/2009
- Monitoring the internal Audit Function Class 5/2009
- Monitoring the Quality of Financial Report Class 9/2009
- Director Certification Program (DCP) Class 85/2007

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

- |                |                                                                                                                                                          |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2013 – present | Independent Director, Director of Risk Management Committee and Director of Nomination and remuneration Committee<br>AIRA Capital Public Company Limited |
| 2009– present  | Independent Director, and Chairman of Audit Committee, and Chairman of Corporate Good Governance<br>GJ Steel Public Company Limited                      |
| 2007 – present | Independent Director and Audit Committee,<br>Lalin Property Public Company Limited                                                                       |

**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand**

2008– present Director, AIRA Advisory Co.,Ltd.

**Position in Other Organization/Institutions** None

**Work Experience (5 Years Past Experiences)**

2007 – 2011 Director and Audit Committee,  
The Stock Exchange of Thailand

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None



**Mr. Prinya Waiwatana** Age 69 Years / Thai

**Title** Independent Director, Chairman of the Risk Management Committee, Investment Committee, and Nomination and Remuneration Committee

**Date of appointment** April 22, 2010

**Shareholding** 236,582 shares (0.0042%)  
as of December 31, 2016

**Education / Training**

- Bachelor of Accounting, Chulalongkorn University

**Director Training from Thai Institute of Directors Association (IOD)**

- Role of Compensation Committee (RCC) Class 10/2010
- Monitoring the System of Internal Control and Risk Management (MIR) Class 2/2008
- Director Certification Program (DCP) Class 72/2006
- Director Accreditation Program (DAP) Class 35/2005
- Audit Committee Program (ACP) Class 9/2005

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

- |                |                                                                                                                                                                         |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2010– present  | Independent Director, Chairman of the Risk Management Committee, Investment Committee and Nomination and Remuneration Committee,<br>AIRA Capital Public Company Limited |
| 2010 – present | Independent Director and Good Governance Committee,<br>Samart Corporation Public Company Limited                                                                        |
| 2005– present  | Independent Director, Audit Committee and Remuneration Committee,<br>Thai Steel Cable Public Company Limited                                                            |

**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand** None

**Position in Other Organization/Institutions** None

**Work Experience (5 Years Past Experiences)** None

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None



**Mr. Anant Sirisaengtaksin**

Age 65 Years / Thai

**Title** Independent Director and Member of Risk Management Committee

**Date of appointment** August 14, 2014

**Shareholding** None

**Education / Training**

- Bachelor Degree in Accounting, Chulalongkorn University
- Master of Business Administration /Commerce, Eastern New Mexico University, USA.
- International Tax Program, Harvard University, USA.
- General Taxation , Japan
- Certificate of the Capital Market Leadership Program Class (CMA 13) , Capital Market Academy
- National Defense (NDC 2546), The National Defense College

**Director Training from Thai Institute of Directors Association (IOD)**

- Director Certification Program (DCP) Class 73/2006
- Advance Audit Committee (AACP) Class 22/2016

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

- |                |                                                                                                      |
|----------------|------------------------------------------------------------------------------------------------------|
| 2014 – present | Independent Director and Risk Management Committee, AIRA Capital Public Company Limited              |
| 2012– present  | Independence Director and Chairman of Audit Committee, Nippon pack (Thailand) Public Company Limited |

**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand**

- |                |                                                                                           |
|----------------|-------------------------------------------------------------------------------------------|
| 2016 – present | Authorized Director and Chairman of the Board of Directors, AIRA Advisory Company Limited |
| 2015 – present | Director, SCL Tax Consultant Company Limited                                              |

**Position in Other Organization/Institutions** None

**Work Experience (5 Years Past Experiences)**

- |             |                                                                                        |
|-------------|----------------------------------------------------------------------------------------|
| 2011 - 2014 | Advisor, Mass Rapid Transit Authority of Thailand                                      |
| 2011 - 2014 | Director and Audit Committee, The Marketing Organization, Ministry of Interior         |
| 2009 - 2014 | Director and Chairman of Audit Committee, Bangkok Commercial Asset Management Co.,Ltd. |
| 2010 - 2011 | Director, Secondary Mortgage Corporation                                               |
| 2009 - 2011 | Deputy Director-General, The Revenue Department                                        |

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None



**Mrs. Kongkeaw Piamduaytham**

Age 65Years / Thai

**Title** Authorized Director and Chairman of Good governance Committee

**Date of appointment** August 27, 2010

**Shareholding** 17,757,990 shares (0.3144%) as of December 31, 2016

**Education / Training**

- Bachelor of Economic (first-class honors), Chiang Mai University
- Bachelor of Laws, Ramkhamhaeng University
- Master of Business Administration (Finance), Washington State University, USA.
- Sasin Senior Executive Program
- Certificate of the Capital Market Leadership Program Class 1, Capital Market Academy

**Director Training from Thai Institute of Directors Association (IOD)**

- Role of the Nomination and Governance Committee (RNG) class 7/2015
- Advanced Audit Committee Programs (AACP) class 13/2013
- Director Certification Program (DCP) class 157/2012

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

- |                |                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------|
| 2012 – present | Chairman of Audit Committee Muangthai Leasing Public Company Limited                              |
| 2010 – present | Authorize Director and Chairman of Good Governance Committee, AIRA Capital Public Company Limited |

**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand**

- |                |                                                    |
|----------------|----------------------------------------------------|
| 2009 – present | Advisor, AIRA Securities Public Company Limited    |
| 2011 – present | Chairman of Audit Committee, PAPOP Company Limited |

**Position in Other Organization/Institutions** None

**Work Experience (5 Years Past Experiences)** None

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None



**M.R. Kasemvisuth Visuthi** Age 74 Years / Thai

**Title** Authorized Director and Nomination and Remuneration Committee

**Date of appointment** April 22, 2010

**Shareholding** 696,926 shares (0.0123%)  
as of December 31, 2016

**Education / Training**

- Bachelor of Science (Mechanical Engineering),  
Queens University of Belfast

**Director Training from Thai Institute of Directors**

**Association (IOD)**

- Director Accreditation Program (DAP) Class 61/2007

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

2010 – Present Authorized Director and Director of the  
Nomination and Remuneration Committee,  
AIRA Capital Public Company Limited

**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand**

2010 – Present Director, AIRA Property Company Limited

**Position in Other Organization/Institutions** None

**Work Experience (5 Years Past Experiences)**

2006 – Present Authorized Director,  
AIRA Securities Public Company Limited

1995 – 2014 Director, S.B Realty Company Limited

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None



**Mr. Wisoot Karnchanapunya** Age 57 Years / Thai

**Title** Authorized Director, Investment Committee and Corporate Good Governance Committee

**Date of appointment** February 23, 2010

**Shareholding** 536,097 shares (0.0095%)  
as of December 31, 2016

**Education / Training**

- Bachelor of Laws, Chulalongkorn University

**Director Training from Thai Institute of Directors**

**Association (IOD)**

- Corporate Governance for Capital Market Intermediaries (CGI)  
Class 1/ 2014
- Director Certification Program (DCP) Class 30/2013
- Director Accreditation Program (DAP) Class 71/2008

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

2010 – present Authorized Director, Investment Committee  
and Good Governance Committee,  
AIRA Capital Public Company Limited

**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand**

2015 – present Director, The P Sathorn Company Limited

2015 – present Director, The P Pak Chong Company Limited

2015 – present Director, Thai Social Enterprise Company Limited

2015 – present Authorized Director, Thai Business  
Consultants Association

2006 – present Authorized Director,  
AIRA Securities Public Company Limited

2003 – present Authorized Director,  
Center Interactive Company Limited

2003 – present Authorized Director,  
Asia Future International Company Limited

2003 – present Chairman, TAP Valuation Company Limited

1996 – present Authorized Director of the Executive Board of  
Director, The Dharmniti Public Company Limited

1993 – present Authorized Director, M.B.B.A Co.,Ltd

1990 – present Authorized Director,  
Dharmniti Law Office Company Limited

1990 – present Authorized Director,  
Dharmniti International Company Limited

**Position in Other Organization/Institutions**

1997 – present Executive Director,  
Thai Business Consultants Association

**Work Experience (5 Years Past Experiences)** None

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None



**Mrs. Naline Ngamsetthamas**

**Age 58 Years / Thai**

**Title** Authorized Director Chairman of the Investment Committee and Chief Executive Officer

**Date of appointment** April 22, 2010

**Shareholding** 326,871,987 shares (5.788046%)  
as of December 31, 2016

**Education / Training**

- Ph.D. (Honorary Degree) in Finance, Sripatum University
- Certificate Master of Marketing Management, Thammasart University & University of Gothenberg
- Master of Business Administration (Financial Management), National Institute of Development Administration (NIDA)
- Bachelor of Science, Srinakharinwirot University
- Leadership Succession Program (LSP Batch#4), Institute of Research and Development for Public Enterprises
- Thammasat Leadership Program (TLP Batch#3), Thammasat University Alumni Association
- Advance Security Management Program (Batch#3), Thailand National Defense College
- Capital Market Academy Leadership Program (CMA) Class 8, The Capital Market Academy

**Director Training from Thai Institute of Directors Association (IOD)**

- Corporate Governance for Capital Market Intermediaries (CGI) Class 15/2016
- IOD Exclusive Event (M-IEE) Class 1/2015
- Role of Chairman Program (RCP) Class 31/2013
- Director Accreditation Program (DAP) Class 61/ 2007

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

- |                |                                                                                                                                                           |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2011 – present | Authorized Director, Director of the Executive Committee and Director of the Nomination and Remuneration Committee, AIRA Factoring Public Company Limited |
| 2010 – present | Authorized Director, Chairman of Investment Committee, and Chief Executive Officer, AIRA Capital Public Company Limited                                   |
| 1995 – 1999    | Secretary General, The Securities and Exchange Commission                                                                                                 |

**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand**

- |                |                                                                                                                                                    |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| 2016 – Present | Authorized Director, Travelex (Thailand) Limited                                                                                                   |
| 2016 – Present | Authorized Director and Chairman of the Board of Directors, AIRA Leasing Public Company Limited                                                    |
| 2015 – Present | Authorized Director, Chairman of Executive Committee, and Chief Executive Officer, AIRA Property Public Company Limited                            |
| 2015 – Present | Authorized Director and Chairman of the Board of Directors, Aspiration One Company Limited                                                         |
| 2014 – present | Authorized Director, Chairman of Nomination and Remuneration Committee and Chairman of Executive Officer Meeting AIRA&AIFUL Public Company Limited |
| 2012 –present  | Authorized Director and Chairman of the Board of Directors, AIRA International Advisory (Singapore) Pte., Ltd.                                     |
| 2007 – present | Authorized Director, AIRA Securities Public Company Limited                                                                                        |

**Position in Other Organization/Institutions** None

**Work Experience (5 Years Past Experiences)**

2004 – 2012 Director, Dharmniti Public Company Limited

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None



**Mr. Wutthiphum Jurangkool**

**Age 38 Years / Thai**

**Title** Authorized Director

**Date of appointment** April 23, 2013

**Shareholding** 100,000,000 shares (1.770738 %)  
as of December 31, 2016

**Education / Training**

- Bachelor of Laws, Ramkhamhaeng University
- Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

**Director Training from Thai Institute of Directors Association (IOD)**

- Directors Certification Program (DCP) Class 148/2011
- Finance for Director (FFD) Class 12/2011

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

- |                |                                                                         |
|----------------|-------------------------------------------------------------------------|
| 2015 – present | Director, SE-EDUCATION Public Company Limited                           |
| 2013 – present | Authorized Director, AIRA Capital Public Company Limited                |
| 2012 – present | Director and Executive Committee, AIRA Factoring Public Company Limited |

**Position in Other Organization/Institutions**

- |                |                                                               |
|----------------|---------------------------------------------------------------|
| 2014 – present | Authorized Director, AIRA & AIFUL Public Company Limited      |
| 2014 – present | Director of Factory depot supply Co., Ltd.                    |
| 2002 – Present | Director and Director of Procurement Department of            |
|                | - SUMMIT Auto Body Industry Co., Ltd.                         |
|                | - SUMMIT Auto Body Industry Co., Ltd. (Ayutthaya branch)      |
|                | - SUMMIT Laemchabang Auto Body Work Co., Ltd.                 |
|                | - SUMMIT Laemchabang Auto Body Work Co., Ltd. (Rayong branch) |
|                | - SUMMIT Auto Tech Industry Co., Ltd.                         |
|                | - Thai Auto Industry Co., Ltd.                                |
|                | - SUMMIT R&D Center Co., Ltd.                                 |
|                | - SUMMIT Advanced Materials Co., Ltd.                         |

**Work Experience (5 Years Past Experiences)** None

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None

**Mrs. Naline Ngamsetthamas****Age 58 Years / Thai**

**Title** Authorized Director Chairman of the Investment Committee and Chief Executive Officer

**Date of appointment** April 22, 2010

**Shareholding** 326,871,987 shares (5.788046%)  
as of December 31, 2016

**Education / Training**

- Ph.D. (Honorary Degree) in Finance, Sripatum University
- Certificate Master of Marketing Management, Thammasart University & University of Gothenberg
- Master of Business Administration (Financial Management), National Institute of Development Administration (NIDA)
- Bachelor of Science, Srinakharinwirot University
- Leadership Succession Program (LSP Batch#4), Institute of Research and Development for Public Enterprises
- Thammasat Leadership Program (TLP Batch#3), Thammasat University Alumni Association
- Advance Security Management Program (Batch#3), Thailand National Defense College
- Capital Market Academy Leadership Program (CMA) Class 8, The Capital Market Academy

**Director Training from Thai Institute of Directors**

**Association (IOD)**

- Corporate Governance for Capital Market Intermediaries (CGI) Class 15/2016
- IOD Exclusive Event (M-IEE) Class 1/2015
- Role of Chairman Program (RCP) Class 31/2013
- Director Accreditation Program (DAP) Class 61/ 2007

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

2011 – present Authorized Director, Director of the Executive Committee and Director of the Nomination and Remuneration Committee, AIRA Factoring Public Company Limited

2010 – present Authorized Director, Chairman of Investment Committee, and Chief Executive Officer, AIRA Capital Public Company Limited

1995 – 1999 Secretary General, The Securities and Exchange Commission

**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand**

2016 – Present Authorized Director, Travelex (Thailand) Limited

2016 – Present Authorized Director and Chairman of the Board of Directors, AIRA Leasing Public Company Limited

2015 – Present Authorized Director, Chairman of Executive Committee, and Chief Executive Officer, AIRA Property Public Company Limited

2015 – Present Authorized Director and Chairman of the Board of Directors, Aspiration One Company Limited

2014 – present Authorized Director, Chairman of Nomination and Remuneration Committee and Chairman of Executive Officer Meeting AIRA&AIFUL Public Company Limited

2012 –present Authorized Director and Chairman of the Board of Directors, AIRA International Advisory (Singapore) Pte., Ltd.

2007 – present Authorized Director, AIRA Securities Public Company Limited

**Position in Other Organization/Institutions** None

**Work Experience (5 Years Past Experiences)**

2004 – 2012 Director, Dharmniti Public Company Limited

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None



**Mr. Suthiporn Tanthikul**

**Age 55 Years / Thai**

**Title** Member of Risk Management Committee and Managing Director

**Date of appointment** July 1, 2013

**Shareholding** None as of December 31, 2016

**Education / Training**

- Bachelor of Economic (1st Class Honours), The University of the Thai Chamber of Commerce
- Master of Economics program, National Institute of Development Administration (NIDA)
- Thammasart Leadership Program (Batch#3), Thammasat University
- Risk Management Program (Batch#3), Chulalongkorn University

**Director Training from Thai Institute of Directors**

**Association (IOD)**

- Directors Certification Program (DCP) class 215/2016

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

2013 – present Managing Director,  
AIRA Capital Public Company Limited

**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand**

2016 – present Authorized Director,  
AIRA Venture Capital Company Limited

2016 – present Authorized Director and Director of Executive Committee, AIRA Leasing Company Limited

2016 – present Authorized Director,  
AIRA and AIFUL Public Company Limited

2015 – present Authorized Director,  
AIRA Property Public Company Limited

2015 – present Authorized Director,  
Aspiration One Company Limited

**Position in Other Organization/Institutions** None

**Work Experience (5 Years Past Experiences)**

2006 – 2013 Vice President, Corporate Bank Department,  
CIMB Thai Bank Public Company Limited

1988 – 2006 Assistant Vice President, Commercial Banking,  
UOB Bank Public Company Limited

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None



**Ms. Netsine Naksuk**

**Age 55 Years / Thai**

**Title** Company Secretary and First Executive Vice President

**Date of appointment** September 24, 2011

**Shareholding** 141,763 shares (0.0025%)  
as of December 31, 2016

**Education / Training**

- Bachelor of Finance and Banking, Ramkhamheang University
- M.B.A. Finance, Oklahoma city University, USA

**Director Training from Thai Institute of Directors**

**Association (IOD)**

- Anti Corruption The Practical Guide (ACPG) 2016
- Effective Minutes Taking (EMT) Class 6/2007
- Company Secretary Program (CSP) Class 21/2007

**Board member/Management in Listed Company – The Stock Exchange of Thailand**

2010 – present Company Secretary,  
AIRA Capital Public Company Limited

**Board member/Management in Non - Listed Company**

– The Stock Exchange of Thailand None

**Position in Other Organization/Institutions** None

**Work Experience (5 Years Past Experiences)**

2007 – 2010 Company Secretary,  
AIRA Securities Public Company Limited.

**Relation among Family with other Directors and Management of the Company or Subsidiaries** None

**Criminal-Free Track Record for the past 10 years** None



**Mr. Sampaan Chanaburanasak** Age 40 Years / Thai

**Title** Executive Vice President, Investment Department  
**Date of appointment** June 30, 2015  
**Shareholding** None (as of December 31, 2016)  
**Education / Training**  

- Bachelor's Degree in Engineering, Major Civil Engineering, King Mongkut's Institute of Technology Ladkrabang
- Master's Degree in Business Administration, Major Finance Banking, National Institute of Development Administration (NIDA)

**Director Training from Thai Institute of Directors**  
**Association (IOD)** None  
**Board member/Management in Listed Company – The Stock Exchange of Thailand** None  
**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand**  
2016 – present Authorized Director, AIRA Venture Limited  
**Position in Other Organization/Institutions** None  
**Work Experience (5 Years Past Experiences)**  
2006 – 2013 Manager, Business Development Department, BANPU Public Company Limited  
2005 – 2006 Chief of Resercher, The Consulting Engineers Association Thailand (C.E.A.T)  
**Relation among Family with other Directors and Management of the Company or Subsidiaries** None  
**Criminal-Free Track Record for the past 10 years** None



**Mr. Ataporn Tragulmalee** Age 51 Years / Thai

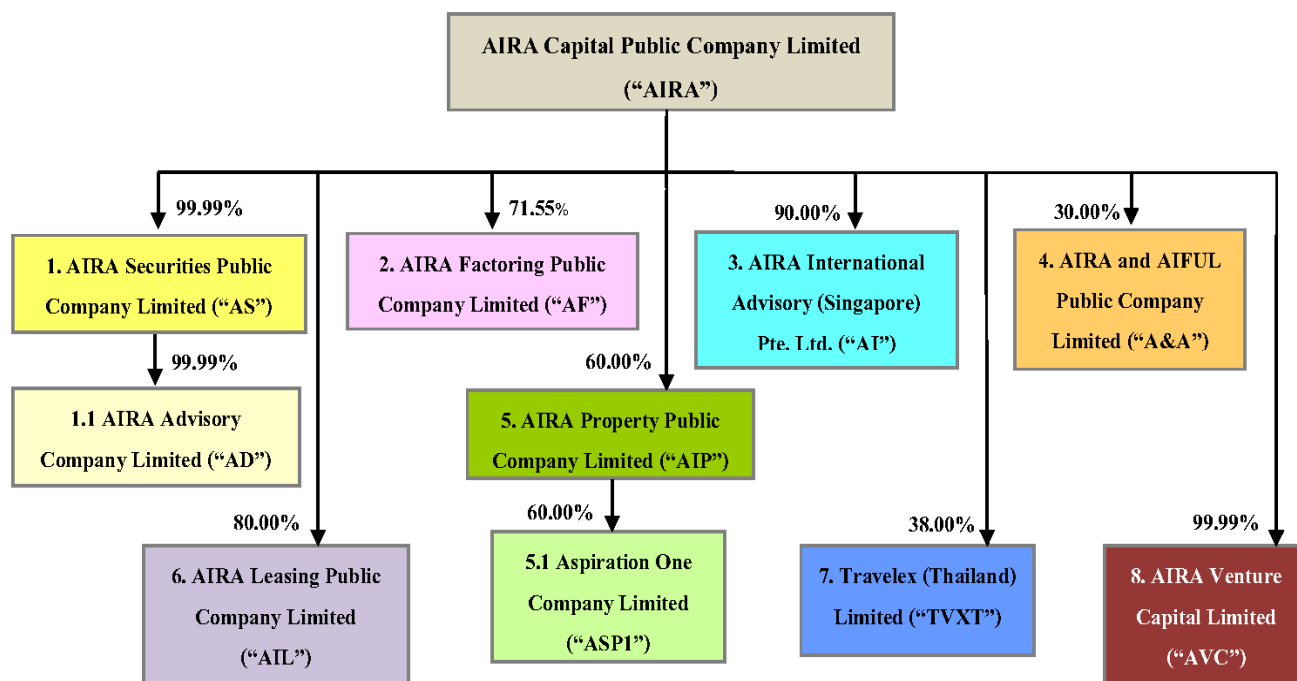
**Title** Executive Vice President, Risk Management Department (IT Risk)  
**Date of appointment** July 15, 2014  
**Shareholding** None (as of December 31, 2016)  
**Education / Training**  

- Bachelor of Science, Computer Science Chandrakasem Teachers' College
- Master of Science in Applied Statistic, National Institute of development Administration (NIDA)
- IT Service Management
- IT Risk Management
- IT Security ISO 27001
- Core Bankikng Solution and IT infrastuctue
- System Development and Design

**Director Training from Thai Institute of Directors**  
**Association (IOD)** None  
**Board member/Management in Listed Company – The Stock Exchange of Thailand**  
2014 – present Executive Vice President, AIRA Capital Public Company Limited  
**Board member/Management in Non - Listed Company – The Stock Exchange of Thailand** None  
**Position in Other Organization/Institutions** None  
**Work Experience (5 Years Past Experiences)**  
2013 – 2014 Head of Information System Development, National ITMX Co., Ltd.  
2009 – 2013 Senior Director of Information Technology Group and Chief Process Innovate Officer Thai Credit Retail Bank Public Company Limited  
**Relation among Family with other Directors and Management of the Company or Subsidiaries** None  
**Criminal-Free Track Record for the past 10 years** None

## SHAREHOLDING STRUCTURE OF THE AIRA GROUP

As at 31 December 2016, the Company's shareholding structure is as follows:



## BUSINESS OPERATIONS

AIRA Capital Public Company Limited has operated as a holding company. At present, the Company has 6 subsidiaries and 2 Affiliate Companies

The shareholding structure of the 6 subsidiaries as follows:

### 1) AIRA Securities Public Company Limited

AIRA Securities Public Company Limited (“AS”) was incorporated on 16 February 2004. The Company became a majority shareholder, with the shareholding of 99.99 percent, as of 24 June 2010 and had control of AS since 24 June 2010 onwards. At present, there is a registered capital of Baht 1,200 million, which consists of the fully-paid up capital of Baht 1,100 million, divided into 1,100,000,000 shares at the par value of Baht 1 per share.

AS operates a securities brokerage business and is a fully licensed security member No. 48 of the Stock Exchange of Thailand. AS has been granted a securities brokerage license to operate eight businesses, i.e. securities brokerage business; marketing business; investment consultant; underwriting services; collective fund management; fund management (private fund); stock borrowing and lending business (principal only); and venture capital business. Moreover, AS is a financial advisory service approved by the Securities and Exchange Commission.

AS, currently, has 8 branches: Surawongse branch; Chamchuri Square Building Ground Floor Branch; Surawong branch; Summit Windmill Golf Club branch; Sri Pratum University branch; Muang Thong Thani branch; Nakhon Sawan branch; Chiangmai branch and Phaholyothin branch.

#### 1.1) AIRA Advisory Company Limited

AIRA Advisory Company Limited (“AD”) was incorporated on 23 March 1998 with a registered capital of Baht 10 million. In March 2007, which is a subsidiary of AS, started its shareholding at 100 percent. At present, there is a registered capital of Baht 50 million, which consists of the fully-paid up capital of Baht 50 million, divided into 5,000,000 shares at the par value of Baht 10 per share.

AD provides a full business with regard to consulting services, focusing on financial and accounting consulting, debt restructuring, mergers and acquisitions, tax consulting and internal training,

which provides customized internal financial training for any organization, including public and private sectors, financial institutions, listed companies, SME businesses and individuals in general.

AD has been granted a license type A number 822 from the Ministry of Finance to operate a financial advisory service and to perform miscellaneous work in terms of business management. Moreover, its financial advisory service has been approved by the Securities and Exchange Commission. It is also a licensed advisor for the corporate debt restructuring service under the Bank of Thailand's corporate debt restructuring framework.

## 2) AIRA Factoring Public Company Limited

AIRA Factoring Public Company Limited ("AF") was incorporated on 6 January 1997 with a registered capital of Baht 20 million. At present, AF is listed on the MAI, with a registered capital of Baht 400 million, divided into 1,600,000,000 shares at the par value of Baht 0.25 per share.

AF mainly operates the domestic factoring business, which provides a short term financing service by purchasing receivables and assignments of right for money collection at discounted prices from businesses. The target customers are in the retail modern trade and automotive assembly parts sectors.

## 3) AIRA International Advisory (Singapore) Pte. Ltd.

AIRA International Advisory (Singapore) Pte. Ltd. ("AI") was incorporated on 2 January 2013 with the Company holding 90 percent of its shares. At present, AI has a registered fully-paid up capital of SGD 500,000, divided into 500,000 shares at the par value of SGD 1 per share.

AI has provided a domestic and cross-border mergers and acquisitions advisory service, as well as investment in Singapore and the ASEAN Region in general, thus supporting the commencement of the AEC establishment.

## 4) AIRA & AIFUL Public Company Limited

AIRA & AIFUL Public Company Limited ("A&A") is a joint venture company between the Company and AIFUL CORPORATION, A&A was incorporated on 24 December 2014, with the Company holding 30 percent of its shares. At present, A&A has a registered capital of Baht 2.5 billion, which consists of the fully-paid up capital of Baht 2.5 billion, divided into 2,500,000,000 shares at the par value of Baht 1 per share.

A&A has provided Consumer Finance business, is a public company under the laws of Thailand. The destination is to be listed on the Stock Exchange of Thailand.

#### 5) AIRA Property Public Company Limited

AIRA Property Public Company Limited (“AIP”) was incorporated on 23 July 2015, conversion into public company limited on 22 April 2016. At present, the Company holding 60 percent of its shares with a registered capital of Baht 500 million, which consists of the fully-paid up capital of Baht 500 billion, divided into 50,000,000 shares at the par value of Baht 10 per share.

AIP has provided property Business and Holding Company which operates the property Business.

##### 5.1) Aspiration One Company Limited

Aspiration One Company Limited (“ASP1”) was incorporated on 25 September 2015, which is a subsidiary of AIP, started its shareholding at 60 percent, and its alliances, SENA Development Public Company Limited holds 25 percent shares and Sang Fah Construction and Engineering Co., Ltd. holds 15 percent shares. At present, ASP1 has a registered capital of Baht 1,000 million, divided into 100 million shares at the par value of Baht 10 per share, which consists of the fully-paid up capital of Baht 250.75 million, divided into 100,000 shares at the par value of Baht 10 per share and divided into 99,900,000 shares at the par value of Baht 2.50 per share.

ASP1 has provided a Property Development Business, have a project to develop the empty intersection of The Crown Property Bureau (CPB) and construction of office buildings for rent, will start this project by the year 2016.

#### 6) AIRA Leasing Public Company Limited

AIRA Leasing Public Company Limited (“AIL”), the former was named Rent-A-V Company Limited, conversion into public company limited and changed name to AIRA Leasing Public Company Limited on 5 July 2016, started its shareholding at 80 percent. At present, AIL has a registered capital of Baht 500 million, at the par value of Baht 10 per share, which consists of the fully-paid up capital of Baht 203.75 million, divided into 203,750,000 shares at the par value of Baht 1 per share.

AIL has provided Operating Lease for industrial equipment and machine/Equipment used in the financial lease industry, hire purchase contract and operating lease.

The shareholding structure of the 2 Affiliate Companies as follows:

1) TRAVELEX (Thailand) Limited

TRAVELEX (Thailand) Limited (“TVXT”) was incorporated on 15 September 2016, started its shareholding at 38 percent. At present, TVXT has a registered capital of Baht 110 million, which consists of the fully-paid up capital of Baht 110 million, divided into 11,000,000 shares at the par value of Baht 10 per share.

TVXT operated the business for Authorized Money Changer according to guidelines and practices of Bank of Thailand and Ministry of Finance to operate the business of foreign currency exchange and sells souvenirs to tourists.

2) AIRA Venture Capital Limited

AIRA Venture Capital Limited (“AVC”) was incorporated on 20 December 2016, started its shareholding at 99.99 percent. At present, AVC has a registered capital of Baht 20 million, divided into 2,000,000 shares, at the par value of Baht 10 per share, which consists of the fully-paid up capital of Baht 5 million, divided into 2,000,000 shares, at the par value of Baht 2.50 per share.

AVC operated the business for Venture Capital business, investing in companies with high growth potential 10 industries under the certification of the National Science and Technology Development Agency (NSTDA) according to tax measures to support the venture capital sector of the Government.

*As the Company operates as a holding company, and has no direct business operation,  
the majority of the Company's revenue comes from the subsidiaries' operations.*

## RISK FACTORS

The company has been incorporated as a Holding Company. Currently it holds investments in several companies mainly in financial sectors which consist of Securities Business, Factoring Business, Advisory Business (including Financial Advisory, Cross-border Mergers and acquisition), Personal Loan Business, and Investment Property Business. During the year 2017, the company expanded its investments in an Industrial Waste Management Service, Leasing Business, Currency Exchange Business, and Venture Capital.

Regarding to investment in the company's share, Investors is advised to consider the risk factors caused by the nature of the business. In addition to the risk factors listed in this document, there might be other risks that the company may not be aware of, at this moment, or it might be a risk which the company has considered that no significant impact on the business operations. Therefore, investors should carefully consider the main risk factors. Those main risk factors can be classified as follows:

**1. The risk factor from being holding company as core business by holding shares in other companies which performance is based on the operating results and dividends from its subsidiaries and affiliates.**

The company's core business by holding shares in the other companies (as Holding Company), by nature, the company has no main operating revenue. The company's main income derives from dividends of subsidiaries and affiliates. Therefore, company performance and business risks of the subsidiaries and affiliates, such as the risk from the threat or disruption of information technology, the risk of employee turnover and/or shortages of specialists, the risk of proprietary investment in securities company, the risk of default in customer payment, the risk of employee's mistake or fraud, the risks of the business which is under the governance of the law and relevant authorities, the risk of industry competition, liquidity risk, the risk of fluctuations in interest rates and insufficient funds, the risk of default in payment of loans to customers and nonperforming loans, and etc., will directly affect the operating performance and financial position of the company. In the future, once the subsidiaries and affiliates cannot pay dividends for the holding company, whether it is due to the operational problems, investment or business expansion, will affect the company's ability to pay dividends to shareholders as well.

However, the company will keep monitoring an investment in subsidiaries and affiliates by the involvement of its directors and / or executives appointed to be representative of the company (by the shareholding proportion

in subsidiaries and affiliates) with direct reporting to the Board of Directors. It enables the company an ability to monitor the performance and internal audit/controls through the audit committee of its subsidiaries and affiliates and also implementation of risk management by a Risk Management Committee and/or Risk Management Department of the subsidiary and affiliates.

## 2. The risk of market conditions

Revenue structure of the company and its subsidiaries from 2014 - 2016 are as shown below;

| Revenue structure of the company<br>and subsidiaries | 2014          |                | 2015          |                | 2016          |                |
|------------------------------------------------------|---------------|----------------|---------------|----------------|---------------|----------------|
|                                                      | Million baht  | percent        | Million baht  | percent        | Million baht  | percent        |
| (1) Brokerage Fees                                   | 478.25        | 55.38%         | 398.80        | 54.35%         | 416.31        | 51.01%         |
| (2) Interest Income from Factoring                   | 147.82        | 17.12%         | 155.96        | 21.26%         | 149.89        | 18.37%         |
| (3) Fees and Service                                 | 58.07         | 6.72%          | 57.91         | 7.89%          | 59.98         | 7.35%          |
| (4) Gain on Securities Trading                       | 76.76         | 8.89%          | 0.00 *        | 0.00% *        | 14.42         | 1.77%          |
| (5) Interest and Dividend                            | 63.61         | 7.36%          | 52.71         | 7.18%          | 41.09         | 5.03%          |
| (6) Interest on margin loans                         | 35.44         | 4.10%          | 65.37         | 8.91%          | 88.14         | 10.80%         |
| (7) Rental and services income                       | -             | -              | -             | -              | 28.93         | 3.54%          |
| (8) Other incomes                                    | 3.51          | 0.43%          | 2.97          | 0.41%          | 17.36         | 2.13%          |
| <b>Total income</b>                                  | <b>863.46</b> | <b>100.00%</b> | <b>733.72</b> | <b>100.00%</b> | <b>816.12</b> | <b>100.00%</b> |

**Note:** \*For the year 2015, Losses from Securities Trading in consolidated financial statements of the company amounting to 53.22 million baht are stated as part of the company expenses which totally comes from AIRA Securities Public Company Limited.

The company's main income comes from securities brokerage business and securities trading, which together accounted for 64.27%, 54.35%, and 52.78% of total revenues of the company in financial performance for the year 2014-2016 respectively. Due to the volume of securities trading based on market conditions and the confidence of the investors. In case that the economy is slow down, trading volume is reducing, it will directly affects income of the securities company. Such an income is related to several external factors particularly, government policy to support the development of domestic capital markets, including both domestic and world economic conditions and money market conditions.

However, to minimize such risks that might occur in the future, the company has been trying to mitigate risk by expanding customer base and trading in foreign markets (Global Trading), as well as, expanding its investment into other financial business sectors such as Factoring Business, Leasing Business, Advisory Business, Personal Loan Business, Currency Exchange Business, and etc. Additionally, the company expands into non-financial business sector such as Industrial Waste Management Service Business.

### **3. The risk of investment and financial support to subsidiaries and affiliates.**

The company continues to invest to achieve its business plan, so it still requires investment capital or joint ventures and in some cases, the subsidiaries and affiliates are still in the early stage of business or lack of ability for self-funding. The company as a shareholder needs to provide the funding or financing in various forms of support. The company has already considered that the investment in new businesses is to benefit the whole group on consolidated perspective. However, the company will not be able to assure that its subsidiaries and / or affiliates, which had been earlier supported by the company, will not require additional financial support in the future. And the company understands that the return of those businesses may not be achieved as planned, or may be delayed.

Thus, the company is focusing on the investment study before making decision on investments in each business sector, study of risk and rewards, risk assessment of external and internal factors before investing along with the performance of operations of its subsidiaries and affiliates, compliance and good governance, cash flow management without affecting the company's liquidity and diversification of investments in various types of business so that the company has recognized steady and consistent income. The company is also focusing on financial structure, balance of the source of income or seasonal income fluctuations due to external factors such as brokerage fees and recurring income i.e. interest income from Factoring, fees and services. Besides, the company is also considering both new start up business and operating business including the investments in non-financial business.

### **4. The risk of operations of the company under the control of a group of major shareholders and major shareholder who appointed as an executive, together holding more than a 50 percent stake in the company.**

Group of major shareholders and major shareholder who appointed as an executive in the company, together holding more than 50 percent stake of the company which comprise of; JRK Holdings Limited ("JRK

Holdings") and Jurangkool family, Ngamsettam family and Jungrunreangkit family (This group includes Khun Komol Jungrunreangkit and Summit Footwear Limited) holding shares in the company, as of 31 December 2016, are at 58.97%, 9.01% and 8.51% respectively. It accounted for 76.49% of total stake of the paid-up capital of the company. The Ngamsettam family is an executive and also company founder, later on, invited JRK Holdings, Jungrunreangkit family (JRK Holdings' shareholders are relatives of Khun Komol Jungrunreangkit) come and join hands together. The risk is that when a group of major shareholder and major shareholders are in the same direction, they can control the votes in the General Meeting of Shareholders of the company over significant issues which laws and regulations requiring that a majority of the votes of the shareholders entitled to vote and presented at the meeting. Therefore, other shareholders may not be able to gather enough votes to balance with a major shareholder and an executive.

However, the company has appointed 7 (seven) independent directors; 3 (three) of them are also appointed as Audit Committee. Audit Committee will audit and consider issues of a conflict of interest complied with the laws and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC) in order to ensure that such transactions are reasonable and aligned with the interest of the company. Moreover, it will encourage the company's transparency and accountability.

##### **5. Risk in subsidiaries management which the company holding not more than 75 percent**

The company has invested in factoring business 71.55 percent and investment property business 60 percent of their paid-up capital which the company will be able to control the voting rights in the shareholders' meeting. However, some specific issues requires at least three fourth of those eligible votes in a shareholders' meeting. In this case, the company will not be able to control the right to vote at the meeting; however, where issues to be approved are beneficial to the subsidiaries, the company believes that the other shareholders would support a vote to approve the transaction in good faith.

Besides, the company also provides a mechanism to manage the subsidiaries to comply with the company management policy. By doing so, it must be approved by the Board of Directors and/or shareholders of the company before entering into significant transactions and / or have a significant impact on the financial position and operations of the subsidiaries as specified in the company's regulations of the subsidiary. Controlling and monitoring the operation of the subsidiary through directors who appointed to be representative of the company

in shareholding proportion are also implemented. The company believes that it will be able to control a majority vote in the subsidiary Board of Directors meeting.

#### **6. The risk of a dilution effect of issuance and offering of warrant “AIRA-WA”**

As of December 31, 2016, the remaining warrants of the company to purchase ordinary shares of the company allotted to its directors, executives and employees of the company and its subsidiaries (ESOP Warrant) are 26,434,540 units and the remaining shares reserved of those warrants are 34,481,227 shares. The exercise price of the ESOP warrant is 0.25 Baht per units. If the remaining ESOP warrants are exercised, the percentage of shareholding of shareholders, therefore, will be diluted no more than 1% (calculated based on number of disposed shares as of December 31, 2016, totaling 5,657,471,780 shares). Additionally, the shareholders will be affected by price dilution. However, the ESOP warrant will be expired on June 3, 2017.

#### **7. The risk of a dilution effect of issuance and offering of warrant “AIRA-W1” and “AIRA-W2”**

As of December 31, 2016, the remaining warrants “AIRA-W1” and “AIRA-W2” of the company to purchase ordinary shares of the company allotted to shareholders are 681,274,987 units and 781,886,727 units, respectively. The number of remaining shares reserved of AIRA-W1 and AIRA-W2 are 681,274,987 shares and 781,886,727 shares, respectively. The exercise prices of AIRA-W1 and AIRA-W2 are 2 Baht and 3.50 Baht per units, respectively. If the remaining warrants, AIRA-W1 and AIRA-W2, are exercised, the percentage of shareholding of shareholders, therefore, will be diluted no more than 11% and 13%, respectively (calculated based on number of disposed shares as of December 31, 2016, totaling 5,657,471,780 shares). Additionally, the shareholders may be affected by price dilution, if the exercise price is lower than market price.

#### **8. Risk of impairment of goodwill.**

As of December 31, 2014, 2015 and 2016, the company has goodwill of 134.90 million baht, which is due to the acquisition of AIRA Factoring Public Company Limited higher than its book value. The company has made a review on the valuation of the goodwill. The auditor will also revisit the impairment of goodwill 134.90 million baht in every accounting period and record allowance for impairment (if any). Thus, the company might be at risk, in case, the auditor has determined that goodwill should be impaired. This mentioned impairment will have an impact to income statement of the company.

## *DIVIDEND PAYMENT POLICY*

The Company has the dividend payment policy for shareholders at the rate of not less than 50 percent of net profits after tax and various reserve deductions in all categories, as prescribed by law, by considering the separate financial statements. However, such dividend payments will depend on the cash flow, investment plan, conditions and terms which the Company is obligated to, including legal restrictions, suitability and other future necessities. Also, the resolution of the Board of Directors which approves the dividend payments shall be presented for approval from the shareholders meeting, except for interim dividend payments, for which the Board of Directors has the authority to approve such interim dividend payments, and which shall be reported to the next shareholders meeting.

## *LEGAL DISPUTES*

As of December 31, 2016, AIRA Capital Public Company Limited (the “Company”) has no any legal dispute that may cause damage to the Company which exceeds 5 percent of the shareholders’ equity; and there is no other legal dispute which may cause material adverse impact to business operations.

As of December 31, 2016, AIRA Securities Public Company Limited (the “Subsidiary”), a subsidiary of the Company, as a defendant, has a dispute of civil lawsuit in the amount of Baht 3 Million and is on process of witness hearing. The executives believe that the final judgment will not affect to cause any material adverse impact to the subsidiary’s financial status and business operation.

Nonetheless, as of December 31, 2016, AIRA Factoring Public Company Limited (the “Subsidiary”), subsidiary of the Company had a legal dispute with negative affect on the assets of the Subsidiary with a number higher than 5 percent of the shareholders. The Subsidiary as the plaintiff had a lawsuit against one customer, which its business produces printing continuous paper. The Subsidiary was in debt of unpaid principle under the loan agreement in amount of Baht 60.62 million. The Subsidiary had filed a lawsuit to the Civil Court against the said customer and the guarantor on September 15.

On December, 2016, the Civil Court gave its judgment and ordered the customer and the guarantor to pay the said debt to the Subsidiary. The Subsidiary is on process of filing a statement to the Court to issue an enforcement, and to appoint an executing officer to proceed further legal actions. However, the aforesaid case does not affect to the Subsidiary business because it has successfully reserved the entire amount of debt by provisioning policy.

## GENERAL INFORMATION OF THE COMPANY

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|                                          |                                                                            |
|------------------------------------------|----------------------------------------------------------------------------|
| <b>Company name:</b>                     | AIRA Capital Public Company Limited (AIRA)                                 |
| <b>Company registration number:</b>      | 0107554000216                                                              |
| <b>Type of company:</b>                  | Holding Company                                                            |
| <b>Registered capital:</b>               | Baht 1,790,000,000                                                         |
| <b>Ordinary shares:</b>                  | 5,647,362,944 shares at the value of Baht 0.25<br>(as at 30 December 2016) |
| <b>Issued and fully-paid up capital:</b> | Baht 1,411,840,736 (as at 30 December 2016)                                |

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|                                    |                                                                                                                                                                                                                                                           |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Head office address:</b>        | 319 Chamchuri Square Building<br>12th Floor Phayathai Road, Pathumwan Bangkok 10500<br>Website: <a href="https://www.aira.co.th/about_aira01.aspx?cid=7">https://www.aira.co.th/about_aira01.aspx?cid=7</a><br>Tel: 0 - 2684 - 8981, Fax: 0 - 2684 - 8980 |
| <b>Corporate Secretary office:</b> | Tel: 0 - 2684 - 8991, Fax: 0 - 2684 - 8980                                                                                                                                                                                                                |
| <b>Investor Relations:</b>         | Tel: 0 - 2684 - 8981, Fax: 0 - 2684 - 8980<br>E-mail: <a href="mailto:IR@aira.co.th">IR@aira.co.th</a>                                                                                                                                                    |

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### Reference person

- **Securities Registrar**

Thailand Securities Depository Co., Ltd.  
1<sup>st</sup> Floor The Stock Exchange of Thailand Building  
93 Rachadapisek Road, Dindaeng, Bangkok 10400  
Tel: 0 - 2009 - 9000  
Fax: 0 - 2009 - 9991  
Website: [www.set.or.th/tsd](http://www.set.or.th/tsd)

- **Auditor**

EY Office Limited  
33<sup>rd</sup> Floor, Lake Rajada Building  
193/136-137 Office Complex,  
Rajadapisek Road, Klongtoey, Bangkok 10110  
Tel: 0 - 2264 - 9090  
Fax: 0 - 2264 - 0789 - 90  
Website: [www.ey.com](http://www.ey.com)

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### Issuance of other securities

The Company offer two types of warrant, are as follow;

#### 1. Warrants to Purchase Ordinary Shares of AIRA Capital Public Company Limited (AIRA-WA)

|                         |                                                                                                            |
|-------------------------|------------------------------------------------------------------------------------------------------------|
| Types of Warrant:       | Warrants to purchase the Company's ordinary shares Kinds of bearer names do not transfer and do not trade. |
| Term of Warrants:       | 4 years from the Issuance Date                                                                             |
| Amount of Warrant:      | 124,669,240 units                                                                                          |
| Exercise Price:         | Baht 0.25 per shares                                                                                       |
| Reserved Shares:        | 124,669,240 shares, par value of Baht 0.25                                                                 |
| Issuance Date:          | 3 June 2013                                                                                                |
| The last Exercise Date: | 31 May 2017                                                                                                |

#### 2. Warrants to Purchase Ordinary Shares of AIRA Capital Public Company Limited

Warrants to purchase ordinary shares of AIRA Capital Public Company Limited, No. 1 (AIRA-W1), issued by AIRA Capital Public Company Limited as approved by the Extraordinary General Meeting of Shareholders No. 1/2015, held on 19 June 2015.

(1) Warrants to Purchase Ordinary Shares of AIRA Capital Public Company Limited No. 1 (AIRA-W1)

(2) Warrants to Purchase Ordinary Shares of AIRA Capital Public Company Limited No. 2 (AIRA-W2)

| <u>AIRA-W1</u>                                     | <u>AIRA-W2</u>                                     |
|----------------------------------------------------|----------------------------------------------------|
| ➤ Amount of Warrant: 781,886,872 units             | ➤ Amount of Warrant: 781,886,872 units             |
| ➤ Reserved Shares: 781,886,827 shares              | ➤ Reserved Shares: 781,886,827 shares              |
| ➤ Term of Warrants: 3 years from the Issuance Date | ➤ Term of Warrants: 4 years from the Issuance Date |
| ➤ Issuance Date: 3 August 2015                     | ➤ Issuance Date: 3 August 2015                     |
| ➤ The last Exercise Date: 2 August 2018            | ➤ The last Exercise Date: 2 August 2019            |

**Note:** The investor may additionally study the securities-issuing Company's information from the annual information display form (Form no. 56-1), which can be seen at [www.sec.or.th](http://www.sec.or.th) or on the website of AIRA Capital Public Company Limited [https://www.aira.co.th/about\\_aira01.aspx?cid=7](https://www.aira.co.th/about_aira01.aspx?cid=7)

## MAJOR SHAREHOLDERS

Information from the last closing date as of 31 December 2016, AIRA Capital Public Company Limited has its top 10 shareholders with details on the number of shares and shareholding percentage as follows:

| No. | Major Shareholders              | Number of Shares | Percentage (%) |
|-----|---------------------------------|------------------|----------------|
| 1   | J R K Holding Company Limited   | 2,026,935,120    | 35.892         |
| 2   | Mr. Thaveechat Jurangkool       | 935,542,165      | 16.566         |
| 3   | Mrs. Nalinee Ngamsettam         | 326,871,987      | 5.788          |
| 4   | Mr. Komol Jungrungreangkit      | 288,183,651      | 5.103          |
| 5   | Mr. Nutthaphon Jurangkool       | 267,749,900      | 4.741          |
| 6   | Summit Footwear Company Limited | 192,401,300      | 3.407          |
| 7   | Mrs. Nicha Smithivas            | 191,500,000      | 3.391          |
| 8   | Ms. Ornnicha Ngamsettam         | 181,951,041      | 3.222          |
| 9   | Ms. Nida Sae-Lee                | 165,381,900      | 2.928          |
| 10  | AIFUL CORPORATION               | 112,000,000      | 1.983          |

## MANAGEMENT STRUCTURE

### 1. Board of Directors of the Company

As of 31 December 2016, the Board of Directors comprises of 12 persons as follows:

| No. | Directors                                | Position                                              |
|-----|------------------------------------------|-------------------------------------------------------|
| 1.  | Mr. Pakorn Malakul na Ayudhya            | Chairman of Audit Committee /<br>Independent Director |
| 2.  | Mr. Nopporn Picha                        | Member of Audit Committee /<br>Independent Director   |
| 3.  | Mrs. Jiraporn Shamenasiri                | Member of Audit Committee /<br>Independent Director   |
| 4.  | Associate professor Anchalee Pipatnasern | Independent Director                                  |
| 5.  | Associate Professor Niputh Jitprasonk    | Independent Director                                  |
| 6.  | Mr. Prinya Waiwatana                     | Independent Director                                  |
| 7.  | Mr. Anant Sirisaengtaksin                | Authorized Director                                   |
| 8.  | Mrs. Kongkeaw Piamduaytham               | Authorized Director                                   |
| 9.  | M.R. Kasemvisuthi Visuthi                | Authorized Director                                   |
| 10. | Mr. Wisoot Karnchanapunyapong            | Authorized Director                                   |
| 11. | Mr. Wutthiphum Jurangkool                | Authorized Director                                   |
| 12. | Mrs. Naline Ngamsetthamas                | Chief Executive Officer / Authorized Director         |

**Note:** 1) Mr. Pakorn Malakul Na Ayudhya was appointed to hold an office of the Company's member of the Board and the independent director under a resolution of the Board of Directors' meeting No. 2/2016 on 25 February 2016 and appointed to be the Chairman of the Board of Directors in place of Mr. Suphachai Phisitvanich pursuant to a resolution of the Board of Directors' meeting No. 3/2016 on 4 April 2016.

2) Ms. Netsine Naksuk holds the position of the Secretary of the Company and acts as the Secretary of the Company's Board of Directors.

- 3) The qualifications of the Audit Committee and Independent Director are consistent with the definition of independent directors of the Stock Exchange of Thailand (SET) and the company.
- 4) The signature of the Directors List No. 8 - 12, who are authorized signatories of the Company in 2 out of 5 jointly sign and affix the Company's seal, have authority to act on behalf of the company.

### **Term of the Position of Directors**

At every Annual General Meeting (“AGM”), a director shall retire from his or her position, at the ratio of 1 in 3. In case the number of directors cannot be divided by three, then the nearest number to one third of the directors shall retire in the first year. As for the second year after the company incorporation, the Board of Directors shall determine the matter amongst themselves and in case an agreement is not reached, there shall be a ballot held to determine who will retire. As for the following years, the Directors who hold the position for the longest period shall be the retiring director for such period. The retiring directors are eligible for re-election.

### **Structure of the Board of Directors**

1.1 The Company determines the composition of the Board of Directors to be diverse, the directors must be competent persons with leadership, skills and experience in related fields such as legal, financial accounting, Human Resource Management, Investment, Risk Management, Organizational management Including other specific capabilities associated with the company and without restrictions on sex and age. The Company of directors is important role in policy formulation, corporate overview, important role in overseeing, monitoring and evaluating the performance of the company, according to the plan independently from the management for the best benefit of the company and its shareholders. There is clearly separation of responsibilities between the board and the management.

1.2 The Board of Directors consists of not less than 5 directors, not more than 12 persons, which are proportionate and appropriate to the size of the Company's business. And not less than half of the directors must be resident in the Kingdom, the Company has clearly defined the authority of its directors, As detailed in the Charter of the Board of Directors

1.3 The Independent Directors of the Company are not less than the number prescribed by the Stock Exchange of Thailand. All independent directors are fully qualified by the Securities and Exchange Commission and the company as described in the qualifications of independent directors. The Independent Directors of the Company are no other relationship may influence the discretion of the independent and

sufficient to create a mechanism to balance the power within the Board of Directors. No person or group of persons shall have any authority over the decision of the Board of Directors and all directors can express their opinions freely.

1.4 According to the company's regulations, on the annual general meeting, one out of three directors shall retire, if the number of directors cannot be divided into three parts, the number nearest to one-third of the directors to be retired in the first and second years after the registration of the company, the committee can consider each other.

1.5 The Board of Directors determines the power, Duties and Responsibilities of the Chairman And Chief Executive Officer clearly. Its separates the roles and responsibilities between the Board of Directors and Executives. The Board of Directors is responsible for policy formulation and oversight of executive management at policy level, while executives manage the company in various areas according to the policy.

1.6 The company requires a company secretary to serve as a secretary of the Board of Directors is responsible for advising on the various rules that the Board must know and to oversee the Board's activities, Include coordination to follow board resolution.

### **Powers and Duties of the Board of Directors**

The Board of Directors has the duties and responsibilities in the management and administration for the maximum benefits of the shareholders (Fiduciary Duty), with the four following principles:

1. Duty of care;
2. Duty of loyalty and honesty;
3. Duty of obedience to the law, objectives, Articles of Association and resolutions of shareholders meetings; and
4. Duty of disclosure to shareholders in a correct, complete and transparent manner.

### **Scope of Duties and Responsibilities of the Board of Directors**

1. The Board of Directors has the powers and duties in the management of the Company, according to the laws on public companies, the laws on SEC, other relevant laws, objectives, Articles of Association and resolutions of shareholders meetings, as follows:

- 1.1 Compliance with the laws on public companies, the laws on securities and stock exchange, other relevant laws, objectives, Articles of Association and resolutions of shareholders meetings in a transparent manner according to good, effective management for the benefit of the Company and the shareholders.

- 1.2 Determine the policy, goals, guidelines and direction for the operation and budget of the Company, to control the supervision of the management and administration of the Sub-committees to be in accordance with the assignment, except for the following: the Board of Directors shall receive approval from the shareholders meeting prior to acting, such as the legal requirement to obtain a prior resolution from the shareholders meeting, such as capital increase; capital decrease; issuance of debentures; sale or transfer of the Company's business; acceptance of the transfer of the business of another company; consolidation of the business with other persons; or amendment of the Memorandum of Association, Articles of Association or directors' remuneration etc.
2. The Board of Directors has the powers concerning investment, as follows:
  - 2.1 the powers and duties in setting the qualifications and appointments of the Investment Committee, as well as providing approval regarding the power and duties of the Investment Committee;
  - 2.2 to consider approving the investment plan of the Company and the power for the Investment Committee to act;
  - 2.3 to supervise the operation according to the plan;
  - 2.4 set the structure in the business operation, thus to ensure effectiveness and efficiency in the operation thereof;
  - 2.5 consider the approval of the investment and partial or whole investment disposal according to the relevant authorities' criteria; and
  - 2.6 approve appropriate financial sources.
3. The Board of Directors has the powers and duties to supervise and follow-up with the measurements of the Company's and subsidiaries' operations in order to comply with the set goals. This is to also have the continuous results of operation, including the policy to develop and improve the Company's operation, as well as developing the Company's personnel and setting the guidelines for resolving obstacles to the operation, as follows:
  - 3.1 The Board of Directors has the powers to appoint the Company's representative(s) to be the directors or executives in the subsidiaries and joint companies in accordance with the shareholding proportion. The appointed Company's representative has the duty to comply with the scope of duties and responsibilities set in the policy on the Company's and subsidiaries' control of the management;
  - 3.2 follow-up with the Company's and subsidiaries' results of operations to be consistently in accordance with the plan and budget;

- 3.3 follow-up with the subsidiaries' disclosure on connected transactions, the acquisition and disposal of the material assets to the Company, completely and correctly; and
  - 3.4 in a case where the subsidiaries have conducted a transaction with the connected persons, acquisition and disposal of the material assets to the Company; the Board of Directors - especially the director or the executive representative - shall have the duty to supervise the subsidiaries' compliance with the criteria on the connected persons and the disposal of the assets, *mutatis mutandis*. This includes the key transactions which the Company has set. In addition, the consideration of such transaction by the subsidiaries will be similar to the transaction - having the same criteria, characteristics and size as the Company - which requires the resolutions of the Board of Directors meeting ("BOD") and the shareholders meeting, as the case may be.
4. The Board of Directors has the powers and duties to provide the reports on the Company's general information and the financial information, to report such to the shareholders and stakeholders or general investors correctly and timely, and in accordance with the legal requirements. The Board of Directors has the powers and duties to acknowledge the Audit Committee's reports or the internal audit system, including the auditors and various consultants of the Company, and has the duties to set the guidelines for improvement the material faults detected.
  5. The Board of Directors has the powers and duties to inspect the sufficiency and appropriateness of the internal control and risk management of the Company;
  6. The Board of Directors has the powers and duties to provide the Succession Plan for the highest level executive of the Company, thus to ensure continuity in succession.
  7. The Board of Directors has the powers and duties to set the qualifications, appoint the sub-committees and provide approval on the powers and duties of the appointed sub-committees.
  8. There is an annual assessment of the performance of duties of the Board of Directors. The assessment will be based on two grounds, firstly, as a whole (the Board of Directors and the sub-committees); and secondly, as a self-assessment for individuals. These results will be considered together with the number of attendees at the BOD meeting and shareholders meeting. Except for in an event of a force majeure case, the director who cannot attend the meeting will have to inform the Chairperson or the Secretary of the Board of Directors in advance prior to the meeting.
  9. The Board of Directors may delegate the powers or assign any person or an authorized juristic body, to act or perform various matters of the Company, except for the power to act in the following matters, which can be made only upon approval of the shareholders meetings; such as the legal requirement for the resolutions of shareholders meetings Resolutions in conducting interested transactions and within the legal

framework or the Stock Exchange of Thailand's regulation requirement for a shareholders meeting's approval.

Such delegation of power shall be subject to the following criteria:

- (1) regarding the appointment or delegation of power of any matter, the appointed person or the attorney-in-fact, shall not be an interested person or a person having conflict of interest against the Company or its subsidiaries in such matter;
- (2) the appointment or delegation of power shall not have the characteristics of the appointment or delegation of power which makes the appointed person or the attorney-in-fact able to approve the transaction that he or she, or the person having conflict, has an interest in, or has a conflict of interest in any other way with the Company or its subsidiaries;
- (3) the appointment or delegation of power shall clearly prescribe the scope of powers, duties and responsibilities of the appointed person or the attorney-in-fact. It shall also align with the resolutions of the BOD, which have an independent director attending or a member of the Audit Committee attending, and in case there is any objection by an independent director or a member of the Audit Committee attending such meeting for such delegation of authority, the opinion of the opposing directors shall be clearly recorded in the minutes of the meeting.

Moreover, the director, who may have an interest in the transaction that a director or related person to the director may have an interest in or conflict of interest with the Company; has no right to consider and vote in such particular matter. Regarding the performance of the duties of the Board of Directors, advice may be sought from external independent directors or experts in other professions, if it is appropriate and suitable.

### **Roles and responsibilities of the Chairman of the Board of Directors**

The Board of Directors has resolved the meeting No. 8/2559 on 14 November 2016, to determine the powers and duties of the Chairman and Chief Executive Officer is clearly and separate the policy and administrative roles apart. The Chairman of the Board is also an independent director. The Chairman and Chief Executive Officer must be appointed by the Board of Directors and not the same person.

The Chairman is responsible for overseeing the implementation of the policy and strategic management practices of the management include advice and support to the management of the business, no part of the management of the company. The Chairman chairs the meeting of the Board of Directors and the shareholders' meeting. And encourage all directors to participate in the meeting. It also ensures that the Board of Directors and the shareholders' meetings proceed efficiently and successfully.

### **The Meeting of the Board of Directors**

1. The Board of Director shall hold the schedules meetings at least 6 times in a year and may hold additional meetings as necessary, the meeting dates are pre-scheduled throughout of the year and set the agenda before the meeting as clearly and submit documents before the meeting in advance, for the Board to have sufficient time to study the information before the meeting. Unless there is an urgent need case. The minutes of the meeting and the collection of certified reports for reference and verification are recorded.

2. The Chairman of the Board of Directors and the Chief Executive Officer jointly set the agenda and considered the agenda of the Board of Directors' meeting, By giving each director the opportunity to present their issues for consideration in the agenda.

3. The Chairman acting chairman of the meeting allocates enough time and gives the Board the opportunity to express their opinions freely. Some senior executives may also be present at the meeting. To provide more useful information as relevant persons, Include direct policy awareness to be able to effectively implement. The resolution of the board of directors, the majority of votes shall be passed, a director has one vote, Directors who have conflict of interest will not attend the meeting and / or not exercise their right to vote on that matter, if the votes are the same, chairman of the meeting shall have one more vote as the deciding vote.

4. The Company has sent documents to the agenda no less than 7 days in advance so that the directors have sufficient time to study the information.

5. The Company sets the minimum number of quorum in a Board meeting, the directors will vote at the meeting. There must be at least two-thirds of the total number of directors attending the meeting and no conflict of interest on the agenda.

6. The Company Secretary attends every board meeting, taking the minute and a report proposed to the meeting at the next meeting. To propose to the Chairman to sign the authentication, as well as to store information or documents related to the meeting for easy reference.

### **Process of Recruitment and appointment new director**

The Board of Directors focuses on the nomination and appointment of directors to be transparent and in line with the business strategies of the Company. In addition, the Company will have a policy to grant shareholders the right to nominate persons to be directors. The Company also has the Nomination and Remuneration Committee. It is responsible for considering the qualifications and suitability of candidates or directors who are due to retire by rotation or resign, and proposing opinions to the Board of Directors or the shareholders' meeting for approval.

In addition, the Board's qualifications referred to in Article 1, the person to be the Company's director shall have at least the following qualifications:

1. Qualified and prohibitions as defined in the public limited companies Act. Also, there must not be any characteristic that indicates a lack of appropriateness to be trusted to manage the company from the shareholders. As the Securities and Exchange Commission (SEC) has announced.
2. Dedicated to the company fully, especially important decisions, in performing duties for the benefit of the company and always attend the Board of Directors' meetings and shareholders' meetings, except as necessary or force majeure.
3. Be a person of integrity, ethics and any other qualifications that may be prescribed by law or by the Board.

#### **Criteria for Recruitment of Independent Directors and Audit Committee**

The Company has a policy to nominate the Audit Committee. And Independent Director to comply with the Notification of the Securities and Exchange Commission No. Thor Jor 28/2008 Re: Application for and Approval of Offer for Sale of Newly Issued Shares the Board of Directors meeting approved the establishment of the Audit Committee. The Audit Committee is required to hold a term of office of three years each. Each member of the Audit Committee must be an independent director and have the qualifications of an independent director, are detail as follow:

- 1) Holding not more than one percent of the total voting shares of the Company, its subsidiaries, affiliates, major shareholders or the controlling person of the Company, including the shareholding of such independent director.
- 2) Not being or being a director who is involved in the management of an employee, an employee, an advisor who receives a regular salary or a controlling person of the Company, major shareholders or of the Company's controlling persons, unless it has ceased to have such characteristics for not less than two years before the date of submission of the application to the office. Such prohibitions do not include cases where an independent director was a government official or consultant of the government agency which is the major shareholder or the Company's controlling authority.

Such prohibitions do not include cases where an independent director was a government official or consultant of the government agency which is the major shareholder or the controlling authority of the company.

- 3) Not a person with blood relations or by lawful registration in the manner of a parent, spouse, sibling and child, and spouse of the child other directors, executives, major shareholders Controlling

Authority or persons to be nominated as directors The management or the controlling person of the Company or subsidiaries.

4) No or have ever had a business relationship with the Company, subsidiaries, affiliated companies, major shareholders or the Company's controlling authority. In a manner that may interfere with the exercise of independent judgment, or has been, a significant shareholder or the controlling person of a person who has a business relationship with the Company, its subsidiaries, affiliated companies, major shareholders or the controlling authority of the company.

The business relationship under (4) includes the normal commercial transaction Renting or leasing real estate asset or service transaction or providing or receiving financial assistance. By accepting or lending collateral, the asset is pledged as collateral. Like other similar circumstances. As a result, the company or contractor has to pay the debt to the other party from three percent of the net tangible assets of the company, or twenty million or more million, whichever is lower. The calculation of such indebtedness shall be in accordance with the method of calculating the value of connected transactions in accordance with the notification of the capital market supervisory Board regarding the criteria for entering into connected transactions mutatis mutandis. Include debt incurred during the year prior to the date of business relationship with the same person.

5) Not being or being the auditor of the Company, its subsidiaries, affiliated companies, major shareholders or the Company's controlling authority and not a significant shareholder. Controlling authority or partner of the audit firm. The auditors of the Company, its subsidiaries, associates, major shareholders or the controlling person of the Company.

6) Not being or being a professional service provider, including providing legal advice or financial advisory services. The service fee is more than two million baht per year from the Company, its subsidiaries, affiliates, major shareholders, or the Company's controlling authority and not a significant shareholder, controlling authority or the partner of that professional service provider.

7) Not being a director appointed to represent the Company's directors, Major Shareholders or shareholders who are related to major shareholders.

8) There are no other characteristics that make it impossible to give an independent opinion about the company's operations.

9) Not operating the same business and is a significant competition with the Company's business or subsidiaries, is not a partner in a partnership or a director who is involved in the management of employees, employees, consultants who receive a regular salary or holds more than one percent of the total voting shares of other companies. It operates the same business and is a significant competitor to the Company's business or subsidiaries

10) Not a director assigned by the Board, decided on the operation of the Company, subsidiaries, affiliates, subsidiaries, major shareholders or the Company's controlling authority and not a director of the Company, subsidiaries or the same level of subsidiaries.

In addition, after being appointed as an independent director in the manner specified in (1) to (9), the independent director may be assigned by the Board of Directors, decided on the operation of the Company, subsidiaries, affiliates, subsidiaries, major shareholders or the Company's controlling authority by decision in the form of a collective committee.

Clause (2) (4) (5) and (6) of the articles of association stipulates that the qualifications of an independent director of the Company for a period of 2 years prior to the date of submission of the application shall be considered. Applicable to applications filed with the Office from 1 July 2010 onwards.

In case the person at the company appointed as an independent director who has or had a business relationship or professional service over value under paragraph one (4) or (6) The Company has been granted a waiver of a prohibition on having or ever have a business relationship or professional service over such value, when the Company has agreed with the Board of Directors. It indicates that it has been determined in accordance with Section 89/7, that the appointment of such person does not affect the performance of duties and the provision of independent opinion. The following disclosures in the AGM will also be made in the agenda for the appointment of independent directors.

- a. Business relationship or professional services, the person who qualifies does not meet the set criteria;
- b. The reasons and necessity to continue or appoint such person to be independent director;
- c. The Board of Directors' opinion on the appointment of such person to be independent director.

Audit Committee member with knowledge in accounting and finance is Associate Professor Anchalee Pipatanasern, Graduated from Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University and Training from Thai Institute of Directors Association (IOD), Director Certification Program (DCP) Class 124/2552, Audit Committee Program (ACP) Class 30/2553, Advance Audit Committee Program Class 2/2553 and Role of the Chairman Program (RCP) Class 25/2554

As at 31 December 2016, The Company has 7 independent directors with the following namely:

- |                                  |                                                         |
|----------------------------------|---------------------------------------------------------|
| 1. Mr. Pakorn Malakul na Ayudhya | Independent Director and Chairman                       |
| 2. Mr. Nopporn Picha             | Independent Director and<br>Chairman of Audit Committee |

- |    |                                          |                                                                                            |
|----|------------------------------------------|--------------------------------------------------------------------------------------------|
| 3. | Mrs. Jiraporn Shamenasiri                | Independent Director and<br>Member of Audit Committee                                      |
| 4. | Associate professor Anchalee Pipatnasern | Independent Director and<br>Member of Audit Committee                                      |
| 5. | Associate Professor Niputh Jitprasonk    | Independent Director and<br>Chairman of Member of Nomination and<br>remuneration Committee |
| 6. | Mr. Prinya Waiwatana                     | Independent Director and<br>Chairman of Risk Management Committee                          |
| 7. | Mr. Anant Sirisaengtaksin                | Independent Director                                                                       |

## 2. Sub-committees

As at 31 December 2016, Sub-committee consists of 5 committee, the detail as follow:

### 2.1) Audit Committee

#### The term of position of a member of the Audit Committee

The Audit Committee has the term of three years and not more than two consecutive terms, except for any member that has the suitability to hold such position for a longer period. The Board of Directors will consider the independence and effectiveness of the performance of duties of such member in order to reappoint such member and to renew each term. This is not an automatic renewal of term.

#### Audit Committee's powers and duties:

1. power to invite the executives, internal auditor, auditor or related person in each meeting to attend the meeting and request information as necessary and appropriate;
2. power to hire a consultant or external person for the Company to provide independent advice or particular advice in a necessary case. Such hiring shall be in accordance with the Company's regulations, and the Company will be responsible for such costs;
3. inspect and examine as necessary in various matters, as well as request information from the Company as necessary, in order to perform work according to the responsibilities of the Audit Committee effectively;
4. have a joint meeting with the auditors to discuss matters without the presence of the executives at least once per year; and

5. assess the performance of the highest level of the most superior member of staff of the internal audit department and provide an opinion in the designation of the remuneration of the employees in the internal audit department according to the Company's criteria, including giving opinions on the appointment and removal of the employees in the internal audit department.

**Audit Committee's duties and responsibilities:**

1. examine on behalf of the Company and its subsidiaries, to ensure correct financial statements and that there is sufficient disclosure, by coordinating with the auditors and the executives of the Company to prepare the financial statements, both quarterly and annually;
2. examine on behalf of the Company and its subsidiaries, to ensure an appropriate and effective internal audit, by having a joint examination with the auditors and internal auditor (if any);
3. examine on behalf of the Company, to ensure compliance with the Securities and Stock Exchange laws, the Stock Exchange of Thailand's ("SET") regulations or the laws in relation to the Company's business;
4. consider selection and proposal of the auditors' appointment, including the auditors' fee, by considering the reliability and sufficiency of the resources and auditors' audit volume, as well as the experience of the assigned persons to conduct the Company's audit;
5. consider the connected transactions and the conflict of interest transactions, to ensure compliance with the laws and the SET regulations - to ensure that such transactions are reasonable and for the Company's maximum benefit;
6. perform any other act assigned by the Board of Directors, which is within the scope of the Audit Committee's duties and responsibilities; and
7. prepare the Audit Committee's activities, which will be disclosed in the Company's Annual Report.

Such report will be signed by the Audit Committee's Chairperson and shall comprise of:

- opinions regarding the preparation process and disclosure of the financial information of the Company regarding the reliability and integrity thereof;
- opinion regarding the sufficiency of the Company's internal control system;
- the reason to believe that the Company's auditors should be reappointed for another term;
- opinion regarding the laws in relation to Securities and Stock Exchange regulations or the laws in relation to the Company's business;

- any other report which the Audit Committee perceives that the shareholders and general investors should know of and which is under the scope of the duties and responsibilities as assigned by the Board of Directors;
- opinions regarding the conflict of interest transactions;
- number of Audit Committee meetings and the attendance rate at each meeting by each member;
- overall opinion or observation that the Audit Committee has, which was received from the performance of duties under the Charter.

## **2.2) Investment Committee**

### **The term of position of a member of the Investment Committee**

The Investment Committee has the term of three years. The retirement of a member based on said term is done by rotation at the AGM. In such case, upon retirement by rotation, such member may be re-elected for another term.

### **Investment Committee's Powers, Duties and Responsibilities:**

- 1) consider the setting of the policy, criteria and investment plan, to be in accordance with or according to the policy framework which the Board of Directors has prescribed. Moreover, the consideration of the business or operation, which should be a joint venture according to the Company's policy;
- 2) consider the annual investment plan;
- 3) consider the studies of the business information and operation; of which there should be investment according to the Company's policy framework to achieve the maximum benefit to the Company's operation;
- 4) propose the decision-making information in the investment after the studies have been performed and present such to the BOD meeting for its approval;
- 5) to supervise, take care of and control the investment management according to the investment policy framework, and report the results of investment to the Board of Directors;
- 6) consider the making of any juristic act, such as entering into an agreement, amendment of an agreement and/or cancellation of an agreement with the company which the Company intends to invest in;

- 7) power to invite and / or hire an external person with expertise to act as advisor, to provide advice in the investment for which the Company will be responsible for such costs;
- 8) consider proposing the Company's representative as a member or executive of the company which the Company has invested in, and present such to the Board of Directors for its approval;
- 9) to supervise the results of operation of the company which the Company has invested in;
- 10) consider the capital increase, capital decrease, cancellation and disposal of investment in the company which the Company has invested in, and present such to the Board of Directors for its approval;
- 11) consider and present the Company's shares appropriation in the group company or the company which the Company has invested in, and present such to employees, allied companies or trading partners, and present such to the BOD for its approval;
- 12) consider the profit and loss results, present the interim dividend payment or the annual dividend of the Company and the group company, as well as present such to the Board of Directors for its approval;
- 13) any other action to support the abovementioned acts or as assigned by the Board of Directors on a case by case basis; and
- 14) to hold a meeting at least four times per year.

### **2.3) Corporate Governance Committee**

#### **The term of position of a member of the Corporate Governance Committee**

The Corporate Governance Committee has the term of three years. The term's retirement by rotation is performed at the AGM. In such case, upon retirement by rotation, such member may be re-elected for another term.

#### **Corporate Governance Committee's Powers, Duties and Responsibilities:**

- 1) to set the scope and policy on corporate governance of the Company to propose to the Board of Directors, as well as to provide corporate governance guidance to the Board of Directors and provide advice on corporate governance to the Board of Directors;
- 2) follow-up with the performance of the Board of Directors and the management in order to comply with the corporate governance policy of the Company;
- 3) consider revising the practice guidelines on the corporate governance of the Company by comparison with the international company benchmark, and propose such to the Board of Directors in order to always improve and update such guideline;

- 4) consider and reflect on the independence of the Board of Directors, including any conflict of interest which may occur from the performance of its duties;
- 5) consider and reflect on the suitability of the Directors to hold their positions, in case there is a change in relation to the required qualifications of the Directors;
- 6) propose a way to assess the performance of the Board of Directors and various sub-committees, including to follow-up and summaries the assessment results to the Board of Directors for its acknowledgement, and to use such information to consider the improvement in work performance effectiveness; and
- 7) consider and reflect on the assessment of the performance of the Board of Directors and various sub-committees on an annual basis.

#### **2.4) Nomination and Remuneration Committee**

##### **The term of position of a member of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has the term of three years. The term's retirement by rotation is performed at the AGM. In such case, upon retirement by rotation, such member may be re-elected for another term.

##### **Nomination and Remuneration Committee's Powers, Duties and Responsibilities:**

- 1) to set the criteria and process for recruiting appropriate person(s) to hold the position of a Director, member of a sub-committee and the Chief Executive Officer;
- 2) nominate and consider selection of the person who should be proposed as a Director, member of a sub-committee and the Chief Executive Officer, according to the prescribed process of nomination, and present such to the Board of Directors or to the shareholders meeting for its approval, as the case may be;
- 3) make the criteria and policy in setting remuneration of the Board of Directors, sub-committee and the Chief Executive Officer of the Company, according to the prescribed process of nomination, and present such to the Board of Directors or to the shareholders meeting for its approval, as the case may be;
- 4) to prescribe the remuneration, in terms of cash and other benefits, of the Chairperson of the Board of Directors, sub-committee and the Chief Executive Officer of the Company, by considering the suitability of such remuneration with the duties and the responsibility to attract, retain and motivate persons of quality, and present such to the Board of Directors or to the shareholders meeting for its approval, as the case may be;

- 5) consider annual bonus payment (if any) and other benefits, including the adjustment of the annual bonus payment to the highest level of the executives of the Company, and present such to the Board of Directors for its approval;
- 6) create the succession plan and continuity of management which is suitable for the Chairperson of the Board of Directors, the Chief Executive Officer, Managing Director and authorized administrator, and present such to the Board of Directors for its approval;
- 7) to hold a meeting at least twice per year.

## **2.5) Risk Management Committee**

### **The term of position of a member of the Risk Management Committee**

The Risk Management Committee has the term of three years. The term's retirement by rotation is performed at the AGM. In such case, upon retirement by rotation, such member may be re-elected for another term.

### **Risk Management Committee's Powers, Duties and Responsibilities:**

- 1) to consider and revise the policy and guidelines for the overall risk management of the Company, which covers various material risks such as strategic risks, credit risks, market risk, liquidity risk and operational risk;
- 2) set a guideline for the overall risk management of the Company and its subsidiaries to align with the risk management policy. This can assess, track and control the risk of the Company at an appropriate level;
- 3) track, follow-up and assess the implementation of the risk management policy during normal times, and to base the unusual times under the guideline and policy which have been approved by the Board of Directors;
- 4) revise the sufficiency of the policy and risk management system, including the effectiveness of the implementation system according to the prescribed policy;
- 5) assess the risks which may occur due to new products or the risk which may occur from transactions which will be created, including setting the ways to prevent risks which may occur on the transactions;
- 6) the Risk Management Committee has the duties and responsibilities in reporting the activities of the Risk Management Committee or any other duties which the Board of Directors have assigned, and to present its opinion to the Board of Directors accordingly; and

### 3. Executives of the Company

As at 31 December 2016, the executives of the Company comprise of:

- |                              |                                                                |
|------------------------------|----------------------------------------------------------------|
| 1. Mrs. Naline Ngamsetthamas | Chief Executive Officer                                        |
| 2. Mr. Suttiporn Tanthikul   | Acting Managing Director                                       |
| 3. Ms. Netsine Naksuk        | Company Secretary and First Executive Vice President           |
| 4. Mr. Ataporn Tragulmalee   | Executive Vice President, Risk Management Department (IT Risk) |
| 5. Mr. Sampan Chanaburanasak | Executive Vice President, Investment Department                |

Note: The Executive No. 1 – 5 has executive as defined by the SEC Notification.

#### Powers, Duties and Responsibilities of the Chief Executive Officer

1. to take part in the consideration on the setting of the Company's policy and the investment policy, as well as to provide advice in making the strategic business plan of the Company and its subsidiaries to present to the Company's Board of Directors for its approval;
2. follow-up and plan the investment plan according to the investment policy;
3. screen the annual budget, which was made by the group company's executives, and present such to the Board of Directors for its approval;
4. order and assign work according to the strategic business plan which has been approved, which the group company's executives shall comply with according to their scope of power in operation and duties and responsibilities;
5. set the mechanism in audit, control the supervision, control the risk management and follow-up with the work performance of the group company's executives according to the prescribed policy, effectively;
6. provide advice, recommendations and suggestions to resolve problems, including development and improvement of any group companies' work systems;
7. take part in the consideration and advice-making in relation to the issuance of various important regulations, criteria and rules, which have an impact on the entire group companies' work systems;
8. consider the appointment, removal of personnel, work performance assessment, rewards and remuneration of group companies' executives; and
9. conduct other work as assigned by the Company's Board of Directors.

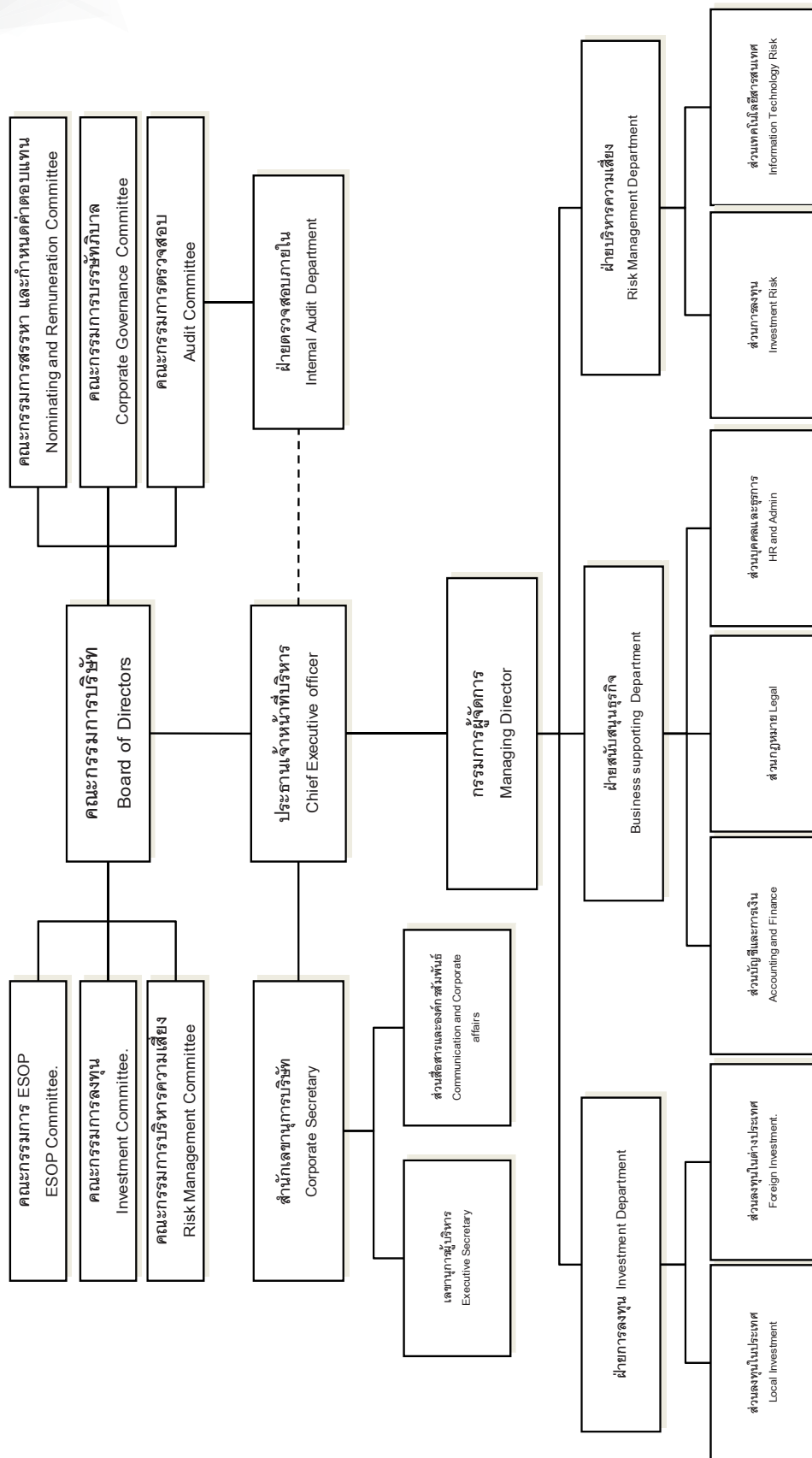
#### 4. Company secretary

The Board of Directors passed a resolution No. 1/2554 on 21 September 2011 to appoint Miss Netsine Naksuk, who passed the Company Secretary Program 21/2007 and the Effective Minute Taking 6/2007 Program from the Thai Institute of Directors (IOD) to act as the Company secretary, Corporate Governance Policy (revised version of 2016) requires the Company's Company Secretary to make the management of the company, To operate effectively in accordance with good corporate governance. Main duties and responsibilities are detail as follow:

1. Acting as Secretary to the Board of Directors, the company secretary may be a director;
2. Responsible for holding shareholders' meetings. And the Board of Directors meeting is in accordance with the law, the Company's regulations and various practices;
3. Record of Minutes of Shareholders Meeting and the minutes of the Board of Directors Include follow up to the resolution of the shareholders meeting and the board of directors meeting;
4. Provide advice and support to the Board of Directors for the laws and regulations;
5. Ensure good corporate governance practices Include follow up policies and recommendations of the Board, has a practical effect;
6. Responsible for the preparation and storage of important documents;
7. Contact with regulatory agencies and oversee the disclosure and disclosure of information to the public. In relevant sections in accordance with the regulations and requirements of the SEC and the SET. To be accurate, complete, legal, communicate with shareholders and take care of shareholders appropriately.

## Organization Chart

### AIRA Capital Public Company Limited



## 5. The Company's Staff

As of 31 December 2016, the company has 28 employees. In 2016, the Company paid the employees compensation, the total amount of Baht 34.07 million, which included salary, overtime pay, bonus, special allowance. Social security and contributions to the provident fund, etc.

### Training and Human Resource development Policy

Human resource is the most valuable asset in providing the business, whereby the company has performed in line with the development policy and the environment by developing the knowledge, skills and personal attributes. Using the tools in development, including coaching (Coaching) assigned project (Project Assignment) and training (Training) to provide personnel with knowledge applications. This will strengthen the organization. And support the growth of sustainable business so that employees at all levels, from senior management to operational level will be developed independently, that for sustainable growth with the organization.

## 6. Control and supervision of subsidiaries

As at 31 December 2016, the Company has the following six subsidiaries and 2 Affiliate Companies, subsidiaries as follow:

1. AIRA Securities Public Company Limited ("AS"), in which the Company has a shareholding of 99.99%;
  - 1.1 AIRA Advisory Company Limited ("AD"), in which AS has a shareholding of 99.99%;
2. AIRA Factoring Public Company Limited ("AF"), in which the Company has a shareholding of 71.55%;
3. AIRA International Advisory (Singapore) Pte. Ltd. ("AI"), in which the Company has a shareholding of 90%.
4. AIRA and AIFUL Public Company Limited ("A&A"), in which the Company has a shareholding of 30%
5. AIRA Property Public Company Limited ("AIP") ", in which the Company has a shareholding of 60%
  - 5.1 Aspiration One Company Limited ("ASP1"), in which AIP has a shareholding of 60%
6. AIRA Leasing Public Company Limited ("AIL"), in which the Company has a shareholding of 80%

Affiliate Companies as follow:

1. TRAVELEX (Thailand) Limited ("AIL"), in which the Company has a shareholding of 38%
2. AIRA Venture Capital Company Limited ("AVC"), in which the Company has a shareholding of 99.99%

The Board of Directors meeting No. 1/2014 on 16 January 2014 has the resolution approving the policy, control policy and corporate governance mechanism that the Company invests in order to comply with the rules governing the operation of the subsidiary and associates according to the Notification of the Capital Market Supervisory Board No.Thor Jor 28/2008 Re: Application for and Approval of Offer for Sale of Newly Issued Shares Including good corporate governance guidelines of the Stock Exchange of Thailand. The Company realizes that the policy is a mechanism leading to a transparent and verifiable management system. It also sets the direction of management in the company, to invest it completely as a unit of the company. The company also monitors the management of the business to take care of the benefits of the company's investment.

Such measures of corporate governance will increase the value and confidence of the Company's stakeholders. By the business that the company, has divided its policy of control of investment into two areas: the control policy of the management of subsidiaries and affiliate Companies. And financial control policies of subsidiaries and affiliates Companies.

## ATTENDANCE AT THE MEETING OF THE BOARD OF DIRECTOR

The Meetings attended by the Board of Directors and Subcommittees for the year 2016 are as follows:

| List of Directors                              | AGM<br>for the year 2016 | Board of Directors | Audit Committee | Investment<br>Committee | Corporate Governance<br>Committee | Nomination<br>And Remuneration<br>Committee | Risk Management<br>Committee |
|------------------------------------------------|--------------------------|--------------------|-----------------|-------------------------|-----------------------------------|---------------------------------------------|------------------------------|
| 1. Mr. Pakorn Malakul na Ayudhya               | 1/1                      | 7/9                |                 |                         |                                   |                                             |                              |
| 2. Mr. Nopporn Picha                           | 1/1                      | 8/9                | 4/4             |                         |                                   |                                             |                              |
| 3. Mrs. Jiraporn Shamenasiri                   | 1/1                      | 9/9                | 4/4             |                         | 2/2                               |                                             |                              |
| 4. Associate professor Anchalee<br>Pipatnasern | 1/1                      | 8/9                | 4/4             |                         |                                   |                                             |                              |
| 5. Associate Professor Niputh<br>Jitprasonk    | 1/1                      | 8/9                |                 |                         |                                   | 2/2                                         | 2/2                          |
| 6. Mr. Prinya Waiwatana                        | 1/1                      | 9/9                |                 | 7/8                     |                                   | 2/2                                         | 2/2                          |
| 7. Mr. Anant Sirisaengtaksin                   | 1/1                      | 8/9                |                 |                         |                                   |                                             | 2/2                          |
| 8. Mrs. Kongkeaw Piamduaytham                  | 1/1                      | 9/9                |                 |                         | 2/2                               |                                             |                              |
| 9. M.R. Kasemvisuthi Visuthi                   | 1/1                      | 9/9                |                 |                         |                                   | 2/2                                         |                              |
| 10. Mr. Wisoot Karnchanapunyapong              | 1/1                      | 8/9                |                 | 7/8                     | 2/2                               |                                             |                              |
| 11. Mr. Wutthiphum Jurangkool                  | 0/1                      | 4/9                |                 |                         |                                   |                                             |                              |
| 12. Mrs. Nalinee Ngamsetthamas                 | 1/1                      | 9/9                |                 | 8/8                     |                                   |                                             |                              |

**SHARES HELD BY MEMBERS  
OF THE BOARD OF DIRECTORS**

*\*as at December 31, 2016*

| No. | Board of Directors                       | Position                                           | Shares Held | Shares Held (%) |
|-----|------------------------------------------|----------------------------------------------------|-------------|-----------------|
| 1   | Mr. Pakorn Malakul na Ayudhya            | Chairman / Independent Director                    | -           | -               |
| 2   | Mr. Nopporn Picha                        | Chairman of Audit Committee / Independent Director | 792,534     | 0.014           |
| 3   | Mrs. Jiraporn Shamenasiri                | Member of Audit Committee / Independent Director   | 482,487     | 0.009           |
| 4   | Associate professor Anchalee Pipatnasern | Member of Audit Committee / Independent Director   | 439,993     | 0.008           |
| 5   | Associate Professor Niputh Jitprasonk    | Independent Director                               | 375,267     | 0.007           |
| 6   | Mr. Prinya Waiwatana                     | Independent Director                               | 236,582     | 0.004           |
| 7   | Mr. Anant Sirisaengtaksin                | Independent Director                               | -           |                 |
| 8   | Mrs. Kongkeaw Piamduaytham               | Authorized Director                                | 17,757,990  | 0.314           |
| 9   | M.R. Kasemvisuthi Visuthi                | Authorized Director                                | 696,926     | 0.012           |
| 10  | Mr. Wisoot Karnchanapunyapong            | Authorized Director                                | 536,097     | 0.009           |
| 11  | Mr. Wutthiphum Jurangkool                | Authorized Director                                | 100,000,000 | 1.771           |
| 12  | Mrs. Naline Ngamsetthamas                | Chief Executive Officer / Authorized Director      | 326,871,987 | 5.788           |

Note: \*Mr. Pakorn Malakul Na Ayudhya was appointed to hold an office of the Company's member of the Board and the independent director under a resolution of the Board of Directors' meeting No. 2/2016 on 25 February 2016 and appointed to be the Chairman of the Board of Directors in place of Mr. Suphachai Phisitvanich pursuant to a resolution of the Board of Directors' meeting No. 3/2016 on 4 April 2016

## REMUNERATION OF DIRECTORS AND SUBCOMMITTEES

The Nomination and Remuneration Committee is responsible for setting the policy for the remuneration of the Directors and senior executives at an appropriate level, account the performance of the company, and consistent with the same business/industry. Include the suitability of duties and responsibilities of the directors. And each executive the directors' remuneration will be in the form of meeting allowances and director bonuses.

In 2016, the Annual General Meeting of Shareholders for the year 2016 on 25 April 2017 passed a resolution to fix remunerations of the Board of the Company and Subcommittees in the form of the meeting allowances with the following details.

### Meeting allowances for the Board of the Company

|                                      |                                |                      |
|--------------------------------------|--------------------------------|----------------------|
| Chairman of the Board of the Company | received meeting allowances of | Baht 18,000 per time |
| Members                              | received meeting allowances of | Baht 12,000 per time |

### Meeting allowances for Subcommittees

|                                      |                                |                      |
|--------------------------------------|--------------------------------|----------------------|
| Chairman of the Board of the Company | received meeting allowances of | Baht 12,000 per time |
| Members                              | received meeting allowances of | Baht 6,000 per time  |

*Note:* If the Chairman and members of the Board of Directors or Subcommittees come from the executives, they will receive the meeting allowances reduced in half from those received by the Chairman and members coming from the third party.

In 2016, the Board of Directors received the meeting allowances totaling Baht 1,566,000.00 divisible into the following;

| Board of Directors and Subcommittees                                                                                      | Number of Meetings (times) | Meeting allowances (Baht) |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|
|  Board of Directors                    | 9                          | 1,140,000                 |
|  Audit Committee                       | 4                          | 120,000                   |
|  Investment Committee                  | 8                          | 156,000                   |
|  Nomination and Remuneration Committee | 2                          | 48,000                    |
|  Corporate Governance Committee        | 2                          | 48,000                    |
|  Risk Management Committee             | 3                          | 54,000                    |

## RELATED PARTY TRANSACTIONS

### 1. Transactions between the Company and its subsidiaries and the person who may have conflicts of interest

As AIRA Capital Public Company Limited (“the Company” or “AC”) and its subsidiaries, i.e., AIRA Securities Public Company Limited (“AS”), AIRA Advisory Company Limited (“AD”), AIRA Factoring Public Company Limited (“AF”), AIRA International Advisory (Singapore) Pte. Ltd. (“AI”), AIRA Property Public Company Limited (“AIP”), AIRA Leasing Public Company Limited (“AIL”), Aspiration One Company Limited (“ASP1”) and AIRA Venture Capital Company Limited (“AVC”) (collectively referred to as “the group of companies” or “the Company and its subsidiaries”) had a shareholding structure on 31 December 2016 in which JRK Holdings Limited (“JRK”) held shares in AIRA Capital Public Company Limited up to 35.89%, thus making the following persons become the person who may have conflicts of interest with the Company and its subsidiaries pursuant to a definition “the person who may have conflicts of interest” under the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 regarding Application for and Approval of Offer for Sale of Newly Issued Shares and under the Notification of the Securities and Exchange Commission regarding Determination of Definitions in the Notification on the Issuance and Offer for Sale of Securities.

| List of JRK’s shareholders    | Shareholding Ratios in JRK (%) |
|-------------------------------|--------------------------------|
| 1. Khun Kornkit Jurangkool    | 15.00                          |
| 2. Khun Nuttapol Jurangkool   | 15.00                          |
| 3. Khun Taweechat Jurangkool  | 15.00                          |
| 4. Khun Wutthiphum Jurangkool | 15.00                          |
| 5. Khun Apichart Jurangkool   | 15.00                          |
| 6. Khun Akarapong Jurangkool  | 15.00                          |
| 7. Khun Sansern Jurangkool    | 5.00                           |
| 8. Khun Hathairat Jurangkool  | 5.00                           |
| <b>Total</b>                  | <b>100.00</b>                  |

This includes such persons’ spouse and children.

Moreover, this also includes companies in which such persons and such persons’ spouse and children are directors, executives, major shareholders or controlling persons.

Relationship between the Company and its subsidiaries, related companies and the persons who may have conflicts of interest in the year 2015 is detailed as follows:

| Subsidiaries                                                    | Relationship                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AIRA Securities Public Company Limited ("AS")</b>            | AS is a subsidiary in which the Company holds 99.99% of shares, having common directors, namely, Khun Nopporn Picha, Khun Jiraporn Shamenasiri, Assoc. Prof. Anchalee Pipatnasern, Khun Naline Ngamsettam and Khun Wisoot Karnchanapunyapong.                                                                                                                                                                                                                                                          |
| <b>AIRA Factoring Public Company Limited ("AF")</b>             | As of 31 December 2016, AF is a subsidiary in which the Company holds 71.55% of shares and has common directors, namely, Khun Naline Ngamsettam and Khun Wutthiphum Jurangkool. In addition, a group of major shareholders of the Company holds 2.92% of shares in AF through Summit Corporation Company Limited.                                                                                                                                                                                      |
| <b>AIRA Advisory Company Limited ("AD")</b>                     | AD is a subsidiary in which the Company indirectly holds 99.99% of shares through AS.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>AIRA International Advisory (Singapore) Pte. Ltd. ("AI")</b> | AI is a subsidiary in which the Company holds 90.00% of shares.                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>AIRA Property Company Limited ("AIP")</b>                    | AIP is a subsidiary in which the Company holds 60.00% of shares.                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>AIRA Leasing Public Company Limited ("AIL")</b>              | AIL is a subsidiary in which the Company holds 80.00% of shares.                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Aspiration One Company Limited ("ASP1")</b>                  | ASP1 is a subsidiary in which the Company indirectly holds 60 % of shares through AIP.                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Aira Venture Capital Company Limited ("AVC")</b>             | AVC is a subsidiary in which the Company holds 99.99% of shares.                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Related companies                                               | Relationship                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Summit Windmill Golf Club Company Limited</b>                | The major shareholders are Summit Corporation Company Limited holding a total amount of 5,999,992 shares from 6,000,000 registered shares, representing 99.99%. The Summit Corporation Company Limited holds common shares with JRK, namely, the Jurangkool family consisting of Khun Sansern Jurangkool, Khun Hathairat Jurangkool, Khun Apichart Jurangkool, Khun Taweachat Jurangkool, Khun Nattapol Jurangkool, Khun Kornkit Jurangkool, Khun Wutthiphum Jurangkool and Khun Akarapong Jurangkool. |
| <b>Summit Corporation Company Limited</b>                       | There are common shareholders with JRK, namely, Khun Sansern Jurangkool, Khun Hathairat Jurangkool, Khun Apichart Jurangkool, Khun Taweachat Jurangkool, Khun Nattapol Jurangkool, Khun Kornkit Jurangkool, Khun Wutthiphum Jurangkool and Khun Akarapong Jurangkool.                                                                                                                                                                                                                                  |
| <b>Alliance Company Limited</b>                                 | Khun Preecha Leelasitorn is the first four top executives of AS and a director of Alliance Company Limited.                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Krung Thai Tractor Company Limited ("KTT")</b>               | Khun Sarawut Laohapongchana is a director of AIL and Krung Thai Tractor Company Limited.                                                                                                                                                                                                                                                                                                                                                                                                               |

| Persons who may have conflicts of interest with the Company, namely, executives, directors and shareholders of the group of companies | Relationship                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Khun Hathairat Jurangkool</b>                                                                                                      | As of 31 December 2016, Khun Hathairat Jurangkool has been a holder of 5% of shares in JRK Holdings Limited ("JRK"), when combined with a holding of shares belonging to Khun Sansern Jurangkool, her husband, thus holding 10% of aggregate shares in JRK (in which JRK is a holder of 35.89% of shares in AC). In addition, sons of Khun Hathairat Jurangkool, namely, Khun Taweachat Jurangkool, holds 16.57% of shares in AC (as of 31 December 2016) and Khun Wutthiphum Jurangkool is a director of AC.                                                                                                                                                                                                                                                                                                              |
| <b>Khun Taweachat Jurangkool</b>                                                                                                      | <p>Khun Taweachat Jurangkool is a holder of 15% of shares in JRK. Khun Taweachat Jurangkool is a son of Khun Sansern Jurangkool and Khun Hathairat Jurangkool who together hold 10% of shares in JRK (in which JRK is a holder of 35.89% of shares in AC).</p> <p>As of 31 December 2016, Khun Taweachat Jurangkool has held 16.57% of shares in AC. Moreover, Khun Wutthiphum Jurangkool, a younger brother of Khun Taweachat Jurangkool, is also a director of AC.</p>                                                                                                                                                                                                                                                                                                                                                   |
| <b>Khun Nuttapol Jurangkool</b>                                                                                                       | <p>Khun Nuttapol Jurangkool is a holder of 15% of shares in JRK. Khun Nuttapol Jurangkool is a son of Khun Sansern Jurangkool and Khun Hathairat Jurangkool who together hold 10% of shares in JRK (in which JRK is a holder of 35.89% of shares in AC).</p> <p>As of 31 December 2016, Khun Nuttapol Jurangkool has held 4.74 % of shares in AC. Khun Nuttapol Jurangkool is a younger brother of Khun Taweachat Jurangkool who is a holding of 16.57% of shares in AC and an older brother of Khun Wutthiphum Jurangkool, a director of AC.</p>                                                                                                                                                                                                                                                                          |
| <b>Khun Komol Jungreangreangkit</b>                                                                                                   | <p>Khun Komol Jungreangreangkit is a younger brother of Khun Sansern Jurangkool. Khun Sansern Jurangkool is a holder of 5% of shares in JRK, when combined with Khun Hathairat Jurangkool, his wife, thereby holding 10% of aggregate shares in JRK (in which JRK is a holder of 35.89% of shares in AC). In addition, Khun Taweachat Jurangkool and Khun Wutthiphum Jurangkool, grandchildren of Khun Komol Jungreangreangkit, are also holders of 16.57% of shares in AC (as of 31 December 2016) and directors of AC, respectively.</p> <p>As of 31 December 2016, Khun Komol Jungreangreangkit has held 5.10% of shares in AC and 79.93% of shares in Summit Footwear Public Company Limited (in which as of 31 December 2016, Summit Footwear Public Company Limited has been a holder of 3.41% of shares in AC).</p> |

| Persons who may have conflicts of interest with the Company, namely, executives, directors and shareholders of the group of companies | Relationship                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Khun Sansern Jurangkool</b>                                                                                                        | As of 31 December 2016, Khun Sansern Jurangkool has been a holder of 5% of shares in JRK, when combined with Khun Hathairat Jurangkool, his wife, thus holding 10% of aggregate shares in JRK (which JRK is a holder of 35.89% of shares in AC). In addition, Khun Taweachat Jurangkool and Khun Wutthiphum Jurangkool, sons of Khun Sansern Jurangkool, are also holders of 16.57% of shares in AC (as of 31 December 2016) and directors of AC, respectively.                                                                                                    |
| <b>Khun Nalinee Ngamsetthamas</b>                                                                                                     | As of 31 December 2016, Khun Nalinee Ngamsetthamas has been the Chief Executive Officer and authorized director of AC and has a shareholding ratio together with her children of 9.01% in AC; Chairman of Executive Director and authorized director of AS; Executive Director, Nomination Committee Member and authorized director of AF; Chairman of the company's Board, Executive Director and authorized director of AI; Chief Executive Officer and authorized director of AIP; and Chairman of the company's Board and authorized director of ASP1 and AIL. |
| <b>M.R. Kasemvisuthi Visuthi</b>                                                                                                      | As of 31 December 2016, M.R. Kasemvisuthi Visuthi has been an authorized director of AC and an advisor of the Executive Board of AS. Moreover, M.L. Nusuda Visuthi, his child, has a shareholding ratio of 0.09% in AC.                                                                                                                                                                                                                                                                                                                                            |
| <b>Khun Kongkaew Piamduaytham</b>                                                                                                     | Khun Kongkaew Piamduaytham is an authorized director of AC and a consultant of AS.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Khun Prinya Waiwatana</b>                                                                                                          | Khun Prinya Waiwatana is a director of AC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Khun Anant Sirisaengtaksin</b>                                                                                                     | Khun Anant Sirisaengtaksin is a director of AC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Khun Pairoth Loengtalerngpong</b>                                                                                                  | Khun Pairoth Loengtalerngpong is the Chief Executive Officer and authorized director of AS and Investment Committee Member of AC.                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Khun Nakorn Kolsrichai</b>                                                                                                         | Khun Nakorn Kolsrichai is the Chief Marketing Officer and authorized director of AS.                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Khun Visit Vongruamlarp</b>                                                                                                        | Khun Visit Vongruamlarp is a director of AF.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Khun Songpon Bunnag</b>                                                                                                            | Khun Songpon Bunnag is the performance and support managing director of AS.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Khun Teera Wipuchanin</b>                                                                                                          | Khun Teera Wipuchanin is a consultant of AS.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Khun Preeyapan Panawipat</b>                                                                                                       | Khun Preeyapan Panawipat is a wife of Khun Nakorn Kolsrichai who is the Chief Marketing Officer and authorized director of AS.                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Khun Sarawut Laohapongchana</b>                                                                                                    | Khun Sarawut Laohapongchana is a director of AIL.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

**Transactions between the Company and its subsidiaries, related companies and persons who may have conflicts of interest in the year 2015 and year 2016 are detailed as follows:**

| Natural/Juris<br>tic persons<br>who may<br>have<br>conflicts of<br>interest | Transactions                                     | Book value (million Baht)           |                                                   |                                     |                                                       | Characters and details of transactions                                                                                                                                                                                                                                                                                                                                                                                                                                           | Opinions of the Audit Committee:<br>necessity and reasonableness of the<br>transactions / pricing and<br>conditions                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------|---------------------------------------------------|-------------------------------------|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                             |                                                  | Value<br>during<br>the year<br>2015 | Accrued<br>value as<br>at 31<br>Decemb<br>er 2015 | Value<br>during<br>the year<br>2016 | Accrue<br>d value<br>as at 31<br>Decem<br>ber<br>2016 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                 |
| Transactions between AC and its subsidiaries                                |                                                  |                                     |                                                   |                                     |                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                 |
| Transactions<br>between<br>AC and AS                                        | AC has bought investments<br>in the bonds of AS. | 941.85                              | -                                                 | 1,097.45                            | -                                                     | AC has invested in short-term bonds<br>and government bonds through AS<br>with the purpose of managing short-<br>term liquidity.                                                                                                                                                                                                                                                                                                                                                 | The Audit Committee is of the<br>opinion that such transaction is a<br>normal transaction falling within a<br>delegation power of the Board of<br>Directors to the Chief Executive<br>Officer for investment and liquidity<br>management with interest rates<br>conformable with market conditions,<br>in which the transaction each time is<br>an auction of government bonds. |
|                                                                             | AS has paid the dividend to<br>AC.               | 66.10                               | -                                                 | 44.00                               | -                                                     | Transactions in the year 2015 are in<br>accordance with a resolution of the<br>Annual General Meeting of<br>Shareholders of AS on 17 March 2015<br>by paying a dividend for the year 2014<br>at a rate of 0.03 Baht per share in a<br>total value of 26.10 million Baht and a<br>resolution of the Meeting of the<br>Company’s Board of Directors on 11<br>August 2015 by paying a interim<br>dividend for the year 2015 at a rate of<br>0.04 Baht per share in a total value of | The Audit Committee is of the<br>opinion that such transaction is a<br>normal transaction and is a rate paid<br>to a person in general, which is in<br>accordance with the resolution of<br>the Annual General Meeting of<br>Shareholders/ the Meeting of the<br>Company’s Board of Directors of AS.                                                                            |

| Natural/Juristic persons who may have conflicts of interest | Transactions                                                                                                                               | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                                                                                                                            | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                      |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                                                                                                            | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                                                                                                                                   |                                                                                                                                                 |
|                                                             |                                                                                                                                            |                            |                                      |                            |                                      | 40 million Baht<br>Transactions in the year 2015 are in accordance with the resolution of the Meeting of the Company's Board of Directors of AS on 15 December 2016, allowing payment of interim dividend for the year 2016 at a rate of 0.04 Baht per share in the amount of 44.00 million Baht. |                                                                                                                                                 |
|                                                             | AC made loans to AS which are unsecured loans with an interest rate of 2.20 - 2.50 % per annum and repayable in January and February 2016. | 249.69                     | 249.69                               | 399.67                     | -                                    | Being related party loans                                                                                                                                                                                                                                                                         | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions. |
|                                                             | Interest received from loans made to AS                                                                                                    | 3.00                       | -                                    | 2.87                       | -                                    | Interest received from loans                                                                                                                                                                                                                                                                      | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions. |
|                                                             | Other expenses paid to AS                                                                                                                  | 0.04                       | 0.003                                | 0.08                       | 0.007                                | Being telephone bills charged from AC by AS because of the usage of telephone lines of AS in a normal rate.                                                                                                                                                                                       | The Audit Committee is of the opinion that such transaction is an expense charged under normal usage.                                           |

| Natural/Juristic persons who may have conflicts of interest | Transactions                   | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                                        |
|-------------------------------------------------------------|--------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                   |
|                                                             | Commission expense             | 0.05                       | -                                    | -                          | -                                    | Commission expense transaction is for the trading of securities to AS; however, such transactions arose from those in the normal business operations with general commercial conditions.                                                                                                                                                                                                                                                                                                                                                                                     | The Audit Committee is of the opinion that such transaction is a normal transaction of the business operations of which the commission rate is in accordance with general commercial transactions.                                |
| Transactions between AC and AF                              | AF has paid the dividend to AC | 14.80                      | -                                    | 60.67                      | -                                    | In the year 2015, in accordance with a resolution of the Annual General Meeting of Shareholders on 10 April 2016 at 0.50 Baht per share.<br><br>In the year 2016, in accordance with a resolution of the Annual General Meeting of Shareholders on 10 April 2015 at 0.01 Baht per share, in accordance with a resolution of the Meeting of the Company's Board of Directors on 10 August 2016 at a rate of 0.03 Baht per share and in accordance with a resolution of the Meeting of the Company's Board of Directors on 14 December 2016 at a rate of 0.013 Baht per share. | The Audit Committee is of the opinion that such transaction is a normal transaction which is in accordance with a resolution of the Annual General Meeting of Shareholders/the Meeting of the Company's Board of Directors of AF. |

| Natural/Juristic persons who may have conflicts of interest | Transactions                                                                                                                                                                                                                                | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                             | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                        |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                                                                                                                                                                                                             | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                    |                                                                                                                                                   |
| <b>Transactions between AC and AI</b>                       | AC made loans to AI which are unsecured loans with the interest rate of 4% and 2.5% per annum and repayable on 13 Mar 17, 20 Mar 17, 24 Apr 17, 10 May 17, 29 May 17, 14 Jun 17, 18 Jul 17, 7 Aug 17, 11 Aug 17 and 26 Aug 17 respectively. | 37.87                      | 37.87                                | 61.32                      | 61.32                                | Being related party loans                                                                          | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions.   |
|                                                             | Interest received from loans paid to AI                                                                                                                                                                                                     | 1.18                       | 0.55                                 | 1.27                       | 0.36                                 | Interest received from loans                                                                       | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions.   |
| <b>Transactions between AC and AIP</b>                      | AC made short-term loans to AIP which are unsecured loans with the interest rate of 2.20 % per annum.                                                                                                                                       | 60.00                      | -                                    | -                          | -                                    | Being related party loans by issuing an instrument on 13 Oct 15 and that were repaid on 12 Nov 15. | The Audit Committee is of the opinion that such transaction has unreasonableness as the rate of interest is in accordance with market conditions. |
|                                                             | Interest received from loans paid to AIP                                                                                                                                                                                                    | 0.03                       | -                                    | -                          | -                                    | Interest received from loans                                                                       | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions.   |

| Natural/Juristic persons who may have conflicts of interest                       | Transactions                                                                | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                                                             | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                   |                                                                             | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                               |
| Transactions between AC and AIL                                                   | Fees and service income to AIL                                              | -                          | -                                    | 2.45                       | -                                    | Fee and service chargeback to AIL                                                                                                                                                                                                  | The Audit Committee is of the opinion that such transaction is an expense charged under normal usage.                                                                                                                                                                                                                                                         |
| <b>Transactions between AC and major shareholders of its affiliated companies</b> |                                                                             |                            |                                      |                            |                                      |                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                               |
| Transactions between AC and Khun Hathairat Jurangkool                             | AC issued and offered to sell bill of exchange to Khun Hathairat Jurangkool | 300.00                     | -                                    | -                          | -                                    | In the year 2015, AC took out loans from Khun Hathairat Jurangkool by issuing and offering to sell two bills of exchange in the amount of 150 million Baht each, totaling 300 million Baht, which was fully paid on 4 August 2015. | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions with reference to the interest rates of the companies issuing bonds with similar terms and conditions by comparison with companies receiving the credit rating BBB - and BBB + in the bond market of Thai BMA. |
|                                                                                   | Interest paid to Khun Hathairat Jurangkool                                  | 3.06                       | -                                    | -                          | -                                    | Interest for bill of exchange                                                                                                                                                                                                      | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions with reference to the interest rates of the companies issuing bonds with similar terms and conditions.                                                                                                         |

| Natural/Juristic persons who may have conflicts of interest                | Transactions                                                                                                                                                                                                | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                    | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                            |                                                                                                                                                                                                             | Value during the year 2014 | Accrued value as at 31 December 2014 | Value during the year 2015 | Accrued value as at 31 December 2015 |                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                               |
| Transactions between AS and its affiliated companies                       |                                                                                                                                                                                                             |                            |                                      |                            |                                      |                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                               |
| Transactions between AS and AF                                             | AS has bought investments in a transferable bill of exchange of AF for management of the short-term liquidity and AF has resolved to take out loans from AS for use as its working capital in the business. | 1,983.13                   | -                                    | 297.51                     | -                                    | AS has invested in the bonds of AF with a purpose of managing the short-term liquidity.                                                                                                   | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions. AF took out loans in the interest rate of loans as that of the financial institution.                                                                                                                         |
|                                                                            | Car rental income                                                                                                                                                                                           | 0.14                       | -                                    | 0.14                       | 0.02                                 | AF has rented cars from AS for use in conducting its business.                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                               |
| Transactions between AS and major shareholders of its affiliated companies |                                                                                                                                                                                                             |                            |                                      |                            |                                      |                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                               |
| Transactions between AS and Khun Hathairat Jurangkool                      | AS has sold investments in the bonds (issued and offered to sell bill of exchange) to Khun Hathairat Jurangkool.                                                                                            | 2,976.07                   | 99.69                                | 1,487.88                   | 399.59                               | AS has sold investments in the bond of AS with an aim to be a source of its working capital to support the overall liquidity and accommodate payment of securities traded with customers. | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions with reference to the interest rates of the companies issuing bonds with similar terms and conditions by comparison with companies receiving the credit rating BBB - and BBB + in the bond market of Thai BMA. |

| Natural/Juristic persons who may have conflicts of interest | Transactions                                                                               | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                      | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                                                            | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                               |
|                                                             | AS has offered to sell a transferable bill of exchange of AF to Khun Hathairat Jurangkool. | 1,983.13                   | -                                    | 297.51                     | -                                    | Khun Hathairat Jurangkool has invested to purchase bill of exchange of AF through AS.                                                                                                       | The Audit Committee is of the opinion that such transaction has reasonableness. AS has charged the arranger fee close to the fees in the bond exchange market in general.                                                                                                                                                                                     |
|                                                             | Gain on sales of investments                                                               | 0.24                       | -                                    | 0.03                       | -                                    | AS has sold all of transferable bills of exchange of AF to Khun Hathairat Jurangkool.                                                                                                       | Profit arising from a margin of selling bill of exchange is a normal profit margin charged from general people.                                                                                                                                                                                                                                               |
|                                                             | AS has issued and offered to sell subordinated debentures to Khun Hathairat Jurangkool.    | (140.00)                   | 140.00                               | -                          | -                                    | Transactions of issuing and offering to sell subordinated debentures                                                                                                                        | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions with reference to the interest rates of the companies issuing bonds with similar terms and conditions by comparison with companies receiving the credit rating BBB - and BBB + in the bond market of Thai BMA. |
|                                                             | Brokerage fees income in trading securities                                                | 0.11                       | -                                    | -                          | -                                    | Concerning the brokerage fees for trading securities through AS, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which fixes commission rates that are charged to general customers.                                                                                                                                                         |

| Natural/Juristic persons who may have conflicts of interest | Transactions                                                                                                                                    | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                                                                                                                                                      | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                                                                                                                                     |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                                                                                                                 | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                |
|                                                             | Interest expense / accrued interest payable of subordinated debentures and bill of exchange which AS has not paid to Khun Hathairat Jurangkool. | 19.17                      | 1.76                                 | 11.31                      | -                                    | Being transactions of interest expense of subordinated debentures, bill of exchange and investments in the bonds. Such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. / accrued interest payable for subordinated debentures of AS which is not due. | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions with reference to the interest rates of the companies issuing bonds with similar terms and conditions by comparison with companies receiving the credit rating BBB - and BBB +. |
|                                                             | Received fees and service charges of AS resulting from AS managing personal funds of Khun Hathairat Jurangkool.                                 | 0.69                       | -                                    | 0.71                       | -                                    | Being income from a personal fund management fee of Khun Hathairat Jurangkool managed by AS, which is the charging of fees in accordance with prices stated in the contract.                                                                                                                                                | The Audit Committee is of the opinion that such transaction is the charging of fees in accordance with prices stated in the contract.                                                                                                                                                                                          |
|                                                             | Cash security in trading of securities                                                                                                          | (4.98)                     | 2.06                                 | 0.14                       | 2.20                                 | For cash security in trading of securities, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                                                                                                                                                      | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which deposited rates of security that are charged to general customers.                                                                                                                     |
| Transactions between AS and Khun Sansern Jurangkool         | Brokerage fees income in trading securities                                                                                                     | 0.10                       | -                                    | 0.04                       | -                                    | Concerning the brokerage fees for trading securities through AS, such transactions arose from undertaking transactions in the normal operation of                                                                                                                                                                           | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which                                                                                                                                                                                        |

| Natural/Juristic persons who may have conflicts of interest | Transactions                                                                                                 | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                    | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                                                                              | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                               |
|                                                             |                                                                                                              |                            |                                      |                            |                                      | businesses with general commercial terms.                                                                                                                                                 | brokerage rates are charged to general customers.                                                                                                                                                                                                                                                                                                             |
|                                                             | Interest expense as customer deposits in securities trading                                                  | 0.08                       | -                                    | 0.02                       | -                                    | For interest expense from deposits in accounts, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which rates are charged to general customers.                                                                                                                                                                               |
| Transactions between AS and Khun Komol Jung rungreangkit    | AS has issued and offered to sell subordinated debentures to Khun Komol Jungreangkit.                        | (40.00)                    | 40.00                                | -                          | 40.00                                | Transactions of issuing and offering to sell subordinated debentures                                                                                                                      | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions with reference to the interest rates of the companies issuing bonds with similar terms and conditions by comparison with companies receiving the credit rating BBB - and BBB + in the bond market of Thai BMA. |
|                                                             | AS has sold investments in the bond (issued and offered to sell bill of exchange) to Khun Komol Jungreangkit | 79.35                      | 39.90                                | 159.37                     | 39.90                                | AS has sold investments in the bond of AS with an aim to be a source of its working capital to support the overall liquidity and accommodate payment of securities traded with customers. | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions with reference to the interest rates of the companies issuing bonds with similar terms and                                                                                                                     |

| Natural/Juristic persons who may have conflicts of interest | Transactions                                                               | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                                                                                 | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                 |
|-------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                                            | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                                                                                        |                                                                                                                                                                                                            |
|                                                             |                                                                            |                            |                                      |                            |                                      |                                                                                                                                                                                                                                                        | conditions by comparison with companies receiving the credit rating BBB - and BBB + in the bond market of Thai BMA.                                                                                        |
|                                                             | Securities and derivatives business receivables                            | (12.29)                    | 2.24                                 | (2.24)                     | -                                    | Such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                                                                                                                             | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which rates are charged to general customers.                            |
|                                                             | Securities and derivatives business payables                               | (41.57)                    | 16.92                                | 14.36                      | 14.36                                | Securities business payables are transactions of selling securities which is not due in paying money to customers. However, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which rates are charged to general customers.                            |
|                                                             | Cash security in trading of securities                                     | 1.39                       | 38.79                                | 39.12                      | 39.12                                | Being transactions arising from trading securities through AS since before 2010. However, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                                   | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which deposited rates of security that are charged to general customers. |
|                                                             | Interest expense / accrued interest payable to Khun Komol Jungrungreangkit | 4.12                       | 0.50                                 | 3.53                       | 0.50                                 | Being transactions of interest expense of subordinated debentures, bill of exchange and investments in the                                                                                                                                             | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of                                                                                                              |

| Natural/Juristic persons who may have conflicts of interest | Transactions                                    | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                                          | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                                                                      |
|-------------------------------------------------------------|-------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                 | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                 |
|                                                             |                                                 |                            |                                      |                            |                                      | bonds. Such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms / accrued interest payable for subordinated debentures of AS which is not due. | interest is in accordance with market conditions with reference to the interest rates of the companies issuing bonds with similar terms and conditions by comparison with companies receiving the credit rating BBB - and BBB + in the bond market of Thai BMA. |
|                                                             | Brokerage fees income in trading securities     | 7.40                       | -                                    | 8.53                       | -                                    | Concerning the brokerage fees for trading securities through AS, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                     | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which brokerage rates are charged to general customers.                                                                       |
| Transactions between AS and Khun Taweachat Jurangkool       | Securities and derivatives business receivables | (26.63)                    | 25.21                                | (18.85)                    | 6.36                                 | Such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                                                                                      | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which rates are charged to general customers.                                                                                 |
|                                                             | Securities and derivatives business payables    | -                          | -                                    | 82.51                      | 82.51                                | Such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                                                                                      | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which rates are charged to general customers.                                                                                 |

| Natural/Juristic persons who may have conflicts of interest | Transactions                                                | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                      | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                 |
|-------------------------------------------------------------|-------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                             | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                             |                                                                                                                                                                                                            |
|                                                             | Cash security in trading of securities                      | 32.38                      | 43.88                                | (15.36)                    | 28.52                                | For cash security in trading of securities, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                      | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which deposited rates of security that are charged to general customers. |
|                                                             | Brokerage fees income in trading securities                 | 14.51                      | -                                    | 17.12                      | -                                    | Concerning the brokerage fees for trading securities through AS, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which brokerage rates are charged to general customers.                  |
|                                                             | Interest expense as customer deposits in securities trading | 0.35                       | -                                    | 0.34                       | -                                    | For interest expense from deposits in accounts, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                  | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which rates are charged to general customers.                            |
| Transactions between AS and Khun Nuttapol Jurangkool        | Securities and derivatives business receivables             | (71.41)                    | 16.83                                | (28.20)                    | 45.03                                | Such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                                                                  | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which rates are charged to general customers.                            |

| Natural/Juristic persons who may have conflicts of interest | Transactions                                                | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                      | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                 |
|-------------------------------------------------------------|-------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                             | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                             |                                                                                                                                                                                                            |
|                                                             | Cash security in trading of securities                      | (5.39)                     | 26.23                                | 12.10                      | 38.33                                | For cash security in trading of securities, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                      | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which deposited rates of security that are charged to general customers. |
|                                                             | Brokerage fees income in trading securities                 | 13.72                      | -                                    | 10.01                      | -                                    | Concerning the brokerage fees for trading securities through AS, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which brokerage rates are charged to general customers.                  |
|                                                             | Interest expense as customer deposits in securities trading | 0.34                       | -                                    | 0.33                       | -                                    | For interest expense from deposits in accounts, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                  | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which rates are charged to general customers.                            |
| Transactions between AS and Khun Wutthiphum Jurangkool      | Cash security in trading of securities                      | 0.008                      | 0.008                                | 0.008                      | 0.008                                | For cash security in trading of securities, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                      | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which deposited rates of security that are charged to general customers. |

| Natural/Juristic persons who may have conflicts of interest                          | Transactions                                                                                                     | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                      | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                                                |
|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                      |                                                                                                                  | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                             |                                                                                                                                                                                                                                           |
|                                                                                      | Brokerage fees income in trading securities                                                                      | 0.17                       | -                                    | 0.14                       | -                                    | Concerning the brokerage fees for trading securities through AS, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which brokerage rates are charged to general customers.                                                 |
|                                                                                      | Interest expense as customer deposits in securities trading                                                      | 0.01                       | -                                    | -                          | -                                    | For interest expense from deposits in accounts, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                  | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which rates are charged to general customers.                                                           |
| <b>Transactions between AS, directors and executives in its affiliated companies</b> |                                                                                                                  |                            |                                      |                            |                                      |                                                                                                                                                                                             |                                                                                                                                                                                                                                           |
| Transactions between AS and Khun Naline Ngamsetthamas                                | Cash security in trading of securities                                                                           | 0.30                       | 1.34                                 | 2.36                       | 3.70                                 | For cash security in trading of securities, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                      | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which deposited rates of security that are charged to general customers.                                |
|                                                                                      | AS has sold investments in the bonds (issued and offered to sell bill of exchange) to Khun Naline Ngamsetthamas. | -                          | -                                    | 194.29                     | -                                    | AS has sold investments in the bond of AS with an aim to be a source of its working capital to support the overall liquidity and accommodate payment of securities traded with customers.   | The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions with reference to the interest rates of the companies issuing bonds with similar terms and |

| Natural/Juristic persons who may have conflicts of interest | Transactions                                                              | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                      | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                                           | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                             | The bill of exchange interest expense by Mrs Naline Naline Ngamsetthamas. | -                          | -                                    | 0.71                       | -                                    | For bill of exchange interest expense, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                           | conditions by comparison with companies receiving the credit rating BBB - and BBB + in the bond market of Thai BMA.<br><br>The Audit Committee is of the opinion that such transaction has reasonableness as the rate of interest is in accordance with market conditions with reference to the interest rates of the companies issuing bonds with similar terms and conditions by comparison with companies receiving the credit rating BBB - and BBB + |
|                                                             | Interest expense as in customer deposits securities trading               | 0.0005                     | -                                    | -                          | -                                    | For interest expense from deposits in accounts, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                             | Brokerage fees income in trading securities                               | 0.09                       | -                                    | -                          | -                                    | Concerning the brokerage fees for trading securities through AS, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which brokerage rates that are charged to general customer                                                                                                                                                                                                                                                             |

| Natural/Juristic persons who may have conflicts of interest | Transactions                                                   | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                                                                                 | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                 |
|-------------------------------------------------------------|----------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                                | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                                                                                        |                                                                                                                                                                                                            |
| Transactions between AS and Khun Pairoth Loengtalerngpong   | Cash security in trading of securities                         | (0.008)                    | -                                    | -                          | -                                    | For cash security in trading of securities, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                                                                                 | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which deposited rates of security that are charged to general customers. |
|                                                             | Brokerage fees income in trading securities                    | 0.03                       | -                                    | 0.03                       | -                                    | Concerning the brokerage fees for trading securities through AS, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                                                            | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which brokerage rates are charged to general customers.                  |
|                                                             | Securities and derivatives business payables                   | 5.80                       | 0.63                                 | (0.04)                     | 0.59                                 | Securities business payables are transactions of selling securities which is not due in paying money to customers. However, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which rates are charged to general customers.                            |
|                                                             | Interest expense as in customer deposits in securities trading | 0.0001                     | -                                    | -                          | -                                    | For interest expense from deposits in accounts, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                                                                             | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which rates are charged to general customers.                            |

| Natural/Juristic persons who may have conflicts of interest | Transactions                                                | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                      | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                 |
|-------------------------------------------------------------|-------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                             | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                             |                                                                                                                                                                                                            |
| Transactions between AS and Khun Visit Vongruamlarp         | Brokerage fees income in trading securities                 | 0.001                      | -                                    | -                          | -                                    | Concerning the brokerage fees for trading securities through AS, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which brokerage rates are charged to general customers.                  |
|                                                             | Cash security in trading of securities                      | (0.1797)                   | 0.0003                               | -                          | -                                    | For cash security in trading of securities, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                      | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which deposited rates of security that are charged to general customers. |
|                                                             | Interest expense as customer deposits in securities trading | 0.0002                     | -                                    | -                          | -                                    | For interest expense from deposits in accounts, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                  | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which rates are charged to general customers.                            |
| Transactions between AS and Khun Nakorn Kolsrichai          | Brokerage fees income in trading securities                 | 0.005                      | -                                    | 0.07                       | -                                    | Concerning the brokerage fees for trading securities through AS, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which brokerage rate are charged to general customers.                   |

| Natural/Juristic persons who may have conflicts of interest | Transactions                                                                      | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                                                                                                                                                                                                                                                                      | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                                   |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                                                   | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                              |
|                                                             | AS has paid the rent of its Chiang Mai branch.                                    | 0.47                       | -                                    | 0.54                       | -                                    | The Chiang Mai branch, which is one of branches of AS, has been opened since 2015 with the objective of expanding its customer base to major customers. It is located on Sri Phoom Road with a rental price of 45,000 Baht per month for a rental period of 3 years from February 2015 to January 2018. However, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. | The Audit Committee is of the opinion that such transactions arose from transactions in normal business operations with general business conditions and pricing policy at market rates or rate charged to general customers. |
|                                                             | AS had a deposit of rent due to its leasing of the space of the Chiang Mai branch | 0.13                       | 0.13                                 | -                          | 0.13                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                              |
| <b>Transactions between AS and Khun Songpon Bunnag</b>      | Brokerage fees income in trading securities                                       | 0.02                       | -                                    | 0.01                       | -                                    | Concerning the brokerage fees for trading securities through AS, such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                                                                                                                                                                                                                                                 | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which brokerage rates are charged to general customers.                                    |
| <b>Transactions between AS and Khun Prinya Waiwatana</b>    | Brokerage fees income in trading securities                                       | 0.02                       | -                                    | 0.01                       | -                                    | Being transactions arising from trading securities through AS. Such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                                                                                                                                                                                                                                                   | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which brokerage rate are charged to general customers.                                     |

| Natural/Juristic persons who may have conflicts of interest           | Transactions                                                                                          | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                    |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                       |                                                                                                       | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                               |
| Transactions between AS and Khun Preeyapan Panawipat                  | Brokerage fees income in trading securities                                                           | -                          | -                                    | 0.28                       | -                                    | Being transactions arising from trading securities through AS. Such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.                                                                                                                                                                                                                                                                                                  | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms and with policy which brokerage rates are charged to general customers.                 |
| <b>Transactions between AS and its related companies</b>              |                                                                                                       |                            |                                      |                            |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                               |
| Transactions between AS and Summit Windmill Golf Club Company Limited | AS had a deposit of rent due to its leasing of the space of Summit Windmill Golf Club Company Limited | -                          | 0.20                                 | -                          | 0.20                                 | The Windmill Branch, which is one of branches of AS, has been opened since 2010 with the objective of expanding its customer base to major customers. It is located at the Summit Windmill Golf Club Building. The Company has leased 40 sqm. with a rental price of 35,000 Baht per month for a period of 2 years from the 1 January 2014 to 31 December 2016. Such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. | The Audit Committee is of the opinion that such transactions arose from normal business operations with general business conditions and pricing policy at market rates or rates charged to general customers. |
|                                                                       | AS had a rent due to its leasing of the space of Summit Windmill Golf Club Company Limited            | 0.46                       | -                                    | 0.48                       | -                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                               |

| Natural/Juristsic persons who may have conflicts of interest | Transactions                                                                                       | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                                                                                                                                                                                                                                                                           | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                    |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                              |                                                                                                    | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                               |
| Transactions between AS and Alliance Company Limited         | AS had a deposit of rent due to its leasing of the space of Wall Street Building, Surawong Branch. | -                          | 1.15                                 | -                          | 1.15                                 | The Surawong Branch, which is one of branches of AS, has been located in the Wall Street building with the objective of expanding its customer base to major customers.<br>The Company has leased 510.03 sqm. with a rental price of 382,522.50 Baht per month for a period of 3 years from August 2016 to July 2019. Such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. | The Audit Committee is of the opinion that such transactions arose from normal business operations with general business conditions and pricing policy at market rates or rates charged to general customers. |
|                                                              | AS had a rent due to its leasing of the space of Wall Street Building, Surawong Branch.            | 4.59                       | -                                    | 4.59                       | -                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                               |
|                                                              | Brokerage fees income in trading securities                                                        | -                          | -                                    | 0.26                       | -                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                               |
| Transactions between AF and its affiliated companies         |                                                                                                    |                            |                                      |                            |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                               |
| Transactions between AF and AS                               | AF has issued and offered to sell a transferable bill of exchange.                                 | 1,983.13                   | 497.65                               | 297.51                     | -                                    | AS has bought investments in the transferable bill of exchange of AF in order to manage the short-term liquidity.                                                                                                                                                                                                                                                                                                                                | For transactions of loans borrowed by AF from AS, the Audit Committee is of the opinion that such transaction has reasonableness as the interest rate is in accordance with market conditions. AF took out    |

| Natural/Juridic persons who may have conflicts of interest | Transactions     | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions           | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------|------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                            |                  | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                            | Interest expense | 18.78                      | -                                    | -                          | -                                    | Being the interest expense from bill of exchange | loans at the interest rate of loans borrowed from the financial institution with reference to the interest rates of the companies issuing bonds with similar terms and conditions by comparison with companies receiving the credit rating BBB - and BBB + in the bond market of Thai BMA.                                                                                                                                                          |
|                                                            |                  |                            |                                      |                            |                                      |                                                  | The Audit Committee is of the opinion that such transaction has reasonableness as the interest rate is in accordance with market conditions. AF took out loans at the interest rate of loans borrowed from the financial institution with reference to the interest rates of the companies issuing bonds with similar terms and conditions by comparison with companies receiving the credit rating BBB - and BBB + in the bond market of Thai BMA. |

| Natural/Juristic persons who may have conflicts of interest              | Transactions                                          | Book value (million Baht)  |                                      |                            |                                      | Characters and details of transactions                                                                                                                                                                                                                                                                                              | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                |
|--------------------------------------------------------------------------|-------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                          |                                                       | Value during the year 2015 | Accrued value as at 31 December 2015 | Value during the year 2016 | Accrued value as at 31 December 2016 |                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                           |
| Transactions between AIL and Krung Thai Tracktor Company Limited ("KTT") | Transactions between AIL and its affiliated companies |                            |                                      |                            |                                      |                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                           |
|                                                                          | Gains from property disposals                         | -                          | -                                    | 10.22                      | 10.40                                | AIL sells 8 wheel loaders to KTT on 28 December 2016.                                                                                                                                                                                                                                                                               | The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which brokerage rates are charged to general customers. |
|                                                                          | Brokerage fees income                                 | -                          | -                                    | 6.05                       | -                                    | AIL is a buyer and a distributor for KTT. AIL gets a commission income from ordering a loader from KTT, it will be agreed from time to time. It is depending on the price at the moment.                                                                                                                                            |                                                                                                                                                                                           |
|                                                                          | Cost of operating lease business                      | -                          | -                                    | 2.71                       | -                                    | AIL has credit term with KTT in purchasing, mechanical transportation services and mechanical repair.                                                                                                                                                                                                                               |                                                                                                                                                                                           |
|                                                                          | Rental and services income                            | -                          | -                                    | 1.50                       | -                                    | AIL has signed contact about an operating lease agreement with KTT which leases space is 478.40 sqm. and rental fee is 47,808 Baht per month for a period of 3 years from September 2016 to August 2019. Such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. |                                                                                                                                                                                           |

| Natural/Juristi<br>c persons who<br>may have<br>conflicts of<br>interest                                                              | Transactions                                                      | Book value (million<br>Baht)     |                                  | Characters and details of transactions                                                                                                                                                                                                                                                                               | Opinions of the Audit Committee: necessity<br>and reasonableness of the transactions /<br>pricing and conditions                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                       |                                                                   | Value<br>during the<br>year 2014 | Value<br>during the<br>year 2015 |                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Transactions between its affiliated companies and consultants of its affiliated companies                                             |                                                                   |                                  |                                  |                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Khun<br>Kongkaew<br>Piamduaytham                                                                                                      | Remuneration and meeting<br>allowances as the consultant of<br>AS | 1.04                             | 0.08                             | Khun Kongkeaw Piamduaytham, as a director (an authorized director) of AC and consultant of the Credit Committee of AF, has held office of the consultant of AS and received meeting allowances from providing consultation to AS by receiving remuneration in the form of the monthly salary and meeting allowances. | The Audit Committee is of the opinion that the current transaction is appropriate since appointment of the consultant is for the utmost benefit to the Company, and those who was invited to serve as consultants are well competent in performing business operations of the Company. Moreover, it is a rate that is determined by quantity of works, duration of work and responsibility just as hiring external consultants. |
| M.R.<br>Kasemvisuthi<br>Visuthi (as of<br>31 December<br>2015,<br>M.R.<br>Kasemvisuthi<br>Visuthi has not<br>the consultant<br>of AS) | Remuneration and meeting<br>allowances as the consultant of<br>AS | 0.96                             | -                                | M.R. Kasemvisuthi Visuthi, as a director (an authorized director) of AC, has held office of the advisor of the Executive Board of AS and received remuneration from rendering consultation to AS by receiving remuneration in the form of the monthly salary without meeting allowances.                             | The Audit Committee is of the opinion that the current transaction is appropriate since appointment of the consultant is for the utmost benefit to the Company, and those who was invited to serve as consultants are well competent in performing business operations of the Company. Moreover, it is a rate that is determined by quantity of works, duration of work and responsibility just as hiring external consultants. |

| Natural/Juristic persons who may have conflicts of interest | Transactions                                | Book value (million Baht)  |                            | Characters and details of transactions                                                                                                                                                                                                                       | Opinions of the Audit Committee: necessity and reasonableness of the transactions / pricing and conditions                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------|---------------------------------------------|----------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                             | Value during the year 2014 | Value during the year 2015 |                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Khun Teera Wipuchanin                                       | Meeting allowances as the consultants of AS | 0.08                       | 0.06                       | Khun Teera Wipuchanin has held office of the consultant of AS and received meeting allowances from providing consultations on imposing a policy and direction for the business operations of AS by receiving remuneration in the form of meeting allowances. | The Audit Committee is of the opinion that the current transaction is appropriate since appointment of the consultant is for the utmost benefit to the Company, and those who was invited to serve as consultants are well competent in performing business operations of the Company. Moreover, it is a rate that is determined by quantity of works, duration of work and responsibility just as hiring external consultants. |

## **2. Pricing policy for related business**

Consideration to make the related party transactions had paid substantial regard to the Company's interests. In making the related party transactions, the Company shall bring such related party transactions for seeking approval by the Audit Committee and/or the Board of Directors concerning the reasonableness in making the transactions, for checking the prices and conditions of the transactions as to whether or not the transactions are in accordance with the normal business practices. Moreover, the Company's Board of Directors must oversee the Company to practice in accordance with the laws regarding the Securities and Stock Exchange, Notifications of the Capital Market Supervisory Board, including the regulations, notifications, orders or requirements of the Stock Exchange of Thailand as well as the compliance with the requirement on the disclosure of information, making of connected transactions and acquisition or disposal of the Company's or its subsidiaries' assets, including compliance with accounting standards set by the Institute of Certified Accountants and Auditors of Thailand.

If there is occurrence of the Company's related party transactions with a person who may have conflicts of interest or benefits, or may have the conflict of interest in the future, the Company has entrusted the Audit Committee to afford opinions on necessity in making the transactions and appropriateness on the price of such transactions by considering conditions to be in accordance with a nature of its normal business practices in the market and by comparing the prices incurred to a third party. In case where the Audit Committee has no expertise in considering the related party transactions that are likely to happen, the Company shall allow the Company's independent expert or auditor to grant a comment on such related party transactions for application in support of a decision of the Audit Committee and/or the Company's Board of Directors and/or shareholders, as the case may be. The Company will reveal such related party transactions in the notes to the financial statements audited by the Company's auditor.

## **3. Necessity and reasonableness of related party transactions**

In order for the Company to enter into related party transactions or agreements, the Company must consider carefully and prudently, then viewing that such related party transactions are those necessary and appropriate for the normal course of business, and must execute for the equal benefits of the Company and its shareholders.

## **4. Measures or procedures for approving to make the related party transactions**

The Company has placed importance on prevention of the conflict of interest from making the related party transactions or connected transactions. With respect to procedures to approve execution of transactions, the Company has considered the conflict of interest with circumspection, integrity, honesty,

rationality and independence within a framework of good ethics and by adhering to the Company's ethical business practices and corporate governance, taking into consideration the Company's maximum interests and those of its shareholders received from approval of the related party transactions.

## **5. Related party transactions that may occur in the future and trend of prospective related party transactions**

### **5.1 Related party transactions that may occur in the future**

The related party transactions that may occur in the future shall be normal commercial transactions that the Company has a clear policy in equal treatment of connected persons and general trading partners under consideration of precise practices and ethics in business operations. Moreover, there shall be an approval process under the Company's rules which comply with regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC), Notifications of the Capital Market Supervisory Board as well as compliance with regulations on disclosure of information, connected transactions and acquisition or disposal of the Company's or its subsidiaries assets, including compliance with accounting standards as defined by the Federation of Accounting Professions regarding the related party transactions.

Making the related party transactions between the Company and its affiliated companies or related persons shall be the transactions caused by engaging in the normal business operations as well as provision of supportive services between its affiliated companies to create benefits to shareholders under the framework of ethics.

Making the related party transactions or connected transactions in the future, the Company shall adhere to the same guidelines as the transactions made with general customers, having commercial conditions not distinct from those requiring the general business or business in the same category to act. Remuneration paid or received from execution of transactions shall be in accordance with the market price or fair value.

### **5.2 Trend of prospective related party transactions**

For the tendency of prospective related party transactions in the future, the Company expects ongoing availability of related party transactions since the related party transactions are those resulting from the Company's normal business operations and for the benefit of the Company and its shareholders. However, there may be certain transactions that are in decline; for instance, transactions as to loans taken out from a group of shareholders of the Company. Since the Company has changed its status from a company limited to a public company limited listed on the SET, the Company thus has more channels for raising funds and become more widely known among investors, thus making the Company less necessary to raise funds from the shareholders in the original way.

## **Management Discussion and Analysis**

### **1. Overview of Operations and Key Factors**

The Company is a holding company which invests in other companies. The results of operations of the company depend on the company which has been investment. For the year 2016, the Company and its subsidiaries have the total revenue of Baht 816 million. The main income comes from brokerage fees and profit from Prop trading in securities business, which is the core company to be listed on the SET the amount of Baht 430.7 million. Secondary income come from interest of factoring business of Baht 150 million and the rest was from financial advisory and service fees. Revenues increase compared to 2015 due to the increase in securities trading volume and market share. After operating expenses, the Company and its subsidiaries have the profit from operation of Baht 29.2 million. However, loss sharing from investment in associates of Baht 126.7 million causes to net loss for the year 2016 of Baht 97.5 million.

Last year, 2016 was a volatile global economic change. A continuation of the sharp decline in oil and commodity prices which had been falling throughout 2015, and concerns about slowing economic growth particularly in China. These concerns in turn pushed financial market swing. Moreover, with profit taking at the beginning of the year, the SET index dropped to the bottom. After that, recovered gradually for the rest of the year and closing at the highest level at the end of 2016.

#### **Major changes of the company in 2016**

(1) The Company acquired on investment by purchasing in Rent-A-V Company Limited, which provides operating leases for industrial equipment and machines. On 5 July 2016, Rent-A-V Company Limited (a subsidiary) registered as a Public Company Limited with the Ministry of Commerce and changed its name to AIRA Leasing Public Company Limited (“AIL”). The Company has an 80% shareholding in this company.

(2) Establishment of Travelex (Thailand) Company Limited (“TVXT”) to operate an Authorized Money Changer business in accordance with the rules and procedures of the Bank of Thailand and the Ministry of Finance for the business of foreign currency exchange and sell souvenirs to tourists. The Company has a 38% shareholding in this company.

(3) Establishment of AIRA Venture Capital Company Limited (“AVC”) to operate a Venture Capital business by investment in high growth companies in 10 industries under the certification of the

Science Development Agency and National Technology (NSTDA) under the tax measures to support venture capital of the public sector. The company has a 99.99% shareholding in this company.

(4) To sell of some 40% shares in AIRA Property Public Company Limited to Kenedix Asia Pte. Ltd., leading property Management Company in Japan and Eugene Investment & Securities Co., Ltd., Securities Business Company, major construction and listed in the Korea Stock Exchange. The Company has realized the profit from this investment of Baht 36 million, as well as a new partner with experience and expertise in the real estate business to further the business. The Company has the rest 60% shareholding in AIRA Property Public Company Limited.

(5) Additional investment of Baht 450 million in AIRA & AIFUL Public Company Limited to support business growth. The Company still holds a 30% shareholding in this company.

(6) Participation in the Collective Action Coalition of the Thai Private Sector on Anti-Corruption. The Company has been approved in principle on 11 December 2015 and has already sent all documents to the Thai Joint Commission on Anti-Corruption for considering on 15 March 2017.

## 2. Performance and Profitability

Regarding the results of operations for the year ending 31 December 2016, the Company and its subsidiaries have the total revenue of Baht 816.12 million, which was a increase of Baht 82.40 million from the year 2015, with the total revenue of Baht 733.72 million, representing increased by 11.23% due to the income increase from brokerage fees, Fees and services income, interest on margin loans; while the main expenses of the Company and its subsidiaries includes the operating and administrative expenses. For the year ending 31 December 2016, the Company and its subsidiaries have the total operating and administrative expenses of Baht 667.38 million, a increase of Baht 85.90 million from the year 2015, representing increased by 14.77%

In terms of revenue, the Company and its subsidiaries have income from securities business. For the year ending 31 December 2016, the Company and its subsidiaries earned brokerage fees, Fees and services income in the total of Baht 416.32 million and Baht 59.98 million, or equal to 51.01% and 7.35% of the total revenue, respectively. For the year 2015, the Company and its subsidiaries earned brokerage fees, Fees and services income in the total of Baht 398.80 million and Baht 57.91 million, or equal to 54.35% and 7.89% of the total revenue, respectively. Upon consideration, it seems that the brokerage fees for the year 2016 have increased from the previous year. This is due to the increasing trade volume of the stock market in 2016. Fees and services income for the year 2016 has increased from the year 2015, arising from the increased financial advisory fee income. Other income is from the securities business, which is the interest on the margin loan to purchase securities. The interest on margin loans for the purchase of

securities for the year 2016 totaled Baht 88.14 million, which increased by Baht 22.77 million, from Baht 65.37 million, in the year 2015, representing an increase of 34.83%. This is due to the economic situation or favorable conditions; thus allowing customers and investors to use loan for purchasing more securities in the stock market.

The other significant revenue is interest income from factoring which obtained from the factoring business. For the year 2016, the Company and its subsidiaries had interest income from factoring of Baht 149.89 million, which decreased by Baht 6.07 million, from Baht 155.96 million, compared to the previous year. This represents a decrease of 3.89% interest income from factoring represents 18.37% and 21.26% of the total income of the years 2016 and 2015, respectively. This income slightly decrease is due to the quite stable in the economy compared to the previous year including subsidiaries are more stringent in lending.

]In 2016, the Company and its subsidiaries had gain on investments in securities amounting to Baht 14.42 million. In the year 2015, the Company and its subsidiaries incurred loss on investments in securities amounting to Baht 53.22 million.

For the operating and administrative expenses, the Company and its subsidiaries have the operating and administrative expenses for the year 2016 of Baht 667.38 million. The significant expenses is the personnel expenses of Baht 382.84 million, representing 57.36% of the operating and administrative expenses, which increased by Baht 55.34 million from the year 2015, representing a increase of 16.90%. The personnel expenses increment includes salary, bonus, rewards for employees and rewards for marketing officers increment. Moreover, there are the premises and equipment expenses of Baht 125.66 million, representing 18.83% of the operating and administrative expenses which increased by Baht 34.20 million from the year 2015, representing a growth of 37.39%. The premises and equipment expenses include the office building rental, depreciation, electricity and water utilities etc. The Fees and services expenses are Baht 62.18 million, representing 9.32% of the operating and administrative expenses which increased by Baht 5.60 million from the year 2015, representing expand by 9.90%. Most of the Fees and services expenses are fees paid to the Clearing House and Stock Exchange as per the trading volume etc.

For the year 2016, the Company and its subsidiaries have the bad debt and doubtful accounts totaling Baht 3.38 million, which decreased by Baht 49.0 million from the year 2015, representing a decrease of 93.54%. The bad debt and doubtful accounts were caused mainly by the factoring business, loans and the provision of a reserve for claims receivables are Baht 3.25 million. While leasing business, bad debt and doubtful accounts from previous customers before acquisition of the company was Baht 0.13 million.

The financial cost of the Company and its subsidiaries for the year 2016 totaling Baht 85.44 million, which decreased by Baht 13.36 million from the year 2015, representing a decrease of 13.53%. This financial costs decrease was due to the decrease from interest rate of loans from financial institutions and debentures to finance the expansion of the factoring business and the working capital of the securities business.

In the year 2016, the Company recognised the share of loss from investments in associates, AIRA & AIFUL Public Company Limited and Travelex (Thailand) Company Limited which were Baht 126.72 million. In the year 2015, the Company recognised the share of loss from investments in associates, which was Baht 33.44 million. In this regard, the investment in AIRA & AIFUL Public Company Limited is in accordance with the Board of Directors resolution on 11 November 2014, which approved the joint venture with AIFUL CORPORATION, a company listed on the Stock Exchange in Japan. AIRA & AIFUL Public Company Limited has the initial registered capital of 1 billion shares at the share value of 1 baht per share, totaling Baht 1 billion. The Company holds 30% shares in AIRA & AIFUL Public Company Limited, amounting to Baht 300 million. Subsequently, on 4 April 2016, the Board of Directors approved the capital increase of 450 million shares of AIRA & AIFUL Public Company Limited at the price of Baht 1 per share, totaling Baht 450 million by paid up capital on 28 June 2016. The proportion of shareholding in that company remains unchanged.

Investment in TRAVELEX (Thailand) Company Limited in accordance with a resolution of the Meeting of the Company's Board of Directors on 13 September 2016, has a resolution to approve the signing of the Shareholders' agreement with Travelex Limited, which is the company registered under a law of England and establishment of TRAVELEX (Thailand) Limited to operate the business of foreign currency exchange and sells souvenirs to tourists. This company is consisted of 11 million ordinary shares with a par value of Baht 10 each, totaling of Baht 110 million. The Company has a 38 % shareholding in this company or a total of Baht 41.8 million.

The Company and its subsidiaries has the net loss for the year 2016 of Baht 97.48 million, which decreased by Baht 3.34 million in the year 2015, representing a decrease of 3.32%. The Company and its subsidiaries have net loss attributable to shareholders equity in the year 2016 of Baht 107.84 million, which increased by Baht 8.97 million in the year 2015, representing an increase of 8.97%. By such the net loss was a result of the share of loss from investment at the beginning of the operation of associates for the year 2016 is Baht 127 million compared to the same period of the year 2015, the share of loss from investments in associates Baht 33 million.

In terms of profitability, there are significant changes that include: The gross margin of the securities business in the year 2016 is 36.16%, up from 29.58% in the year 2015. Although, the competition in the stock market as the securities business enters the free-float. As a result, the intense competition by reduction of securities service fees to persuade clients to use the service. AIRA Securities Public Company Limited has implemented strategies to solve the problems by using the policy to increase the value of the investment to the customer. For maintain the existing customer base and increase new customer base by organizing seminars to usually provide free investment advice to investors. Moreover, the development of securities trading staff, marketing staff are knowledgeable for provide services that impress customers.

### **3. Financial position and ability to manage property**

The total assets of the Company and its subsidiaries as of 31 December 2016 were Baht 7,249.05 million, an increase of Baht 1,420.23 million from the total assets as of 31 December 2015, which was in the amount of Baht 5,828.83 million, representing an increase of 24.37%. The main assets were derived from cash and cash equivalents in the total of Baht 938.96 million which increased by Baht 4.92 million, representing an increase of 0.53%. For the year 2015, cash and cash equivalents in the total of Baht 934.04 million.

Securities and derivatives business receivables, which increased from Baht 1,169.92 million as at 31 December 2015 to Baht 1,706.64 million as at 31 December 2016. This was due to the increase number of cash balance account receivable.

Receivables from Clearing House on 31 December 2016 totaling Baht 521.54 million, a increase of Baht 429.0 million compared to the receivables from Clearing House as at 31 December 2015 of Baht 92.54 million, representing a increase of 463.59%. The receivables from Clearing House increase was due to the increased price settlement of securities traded on the Stock Exchange.

Short-term investments at cost as of 31 December 2016 were Baht 437.97 million, net changes in fair value of securities of Baht 66.10 million, balance of investment in securities of Baht 371.87 million. The changes in fair value of securities are price adjustment to market price. The Company has an investment policy approve by the investment sub-committee determines the securities to be invested. Most of them are in SET 100 and have the potential to be profitable. Currently, the investing in such securities, the Company continues to receive dividends. The Companies which do not pay dividends still have a better performance. The investment sub-committee regularly monitors such securities.

Factoring receivables are core asset of Factoring business as of 31 December 2016 were Baht 2,116.44 million, an decrease of Baht 232.73 million from as of 31 December 2015 were Baht 2,349.17

million. As of 31 December 2016 representing 29.20% of total asset and as of 31 December 2015 representing 40.30% of total asset.

Loans receivable as of 31 December 2016 were Baht 30.66 million, an increase of Baht 25.24 million from 2015 due to being a debtor in the factoring business. Loans receivable increased of Baht 0.61 million.

Other intangible assets as of 31 December 2016 were Baht 113.80 million, an increase of Baht 2.63 million from 2015 due to buying a computer program. The main items of other intangible assets are securities brokerage fees and membership fees of Baht 51.5 million and Baht 22.6 million, respectively.

Regarding the total liabilities of the Company and its subsidiaries, the total liabilities as of 31 December 2016 was a total of Baht 3,589.68 million. This is an increase of Baht 1,057.71 million from Baht 2,531.97 million in total liabilities as of 31 December 2015, representing an increase of 41.77%. The increased liabilities include bank overdrafts and short-term loans from financial institutions, the securities and derivatives business payables and liabilities under finance lease agreements which increased from 31 December 2015 in the amount of Baht 705.36 million, Baht 501.19 million and Baht 54.08 million, respectively. While decreased liabilities are from Payables to Clearing House and bill of exchange which decreased as at 31 December 2015, in the amount of Baht 121.0 million and Baht 177.67 million, respectively.

The shareholders equity of the Company and its subsidiaries as of 31 December 2016 totaling Baht 3,659.38 million, an increase of Baht 362.52 million from 31 December 2015. The shareholders equity was Baht 3,296.86 million, representing an increase of 11%. This is due to increased registered capital and paid-up capital from the ordinary shares of 5,496,760,513 shares as of 31 December 2015 to 5,647,362,944 shares as of 31 December 2016. In addition, issued and paid-up capital and share premium as at 31 December 2016 in the amount of Baht 1,411.84 million and Baht 1,959.87 million, respectively. As of 31 December 2015, issued and paid-up capital and share premium in the amount of Baht 1,374.19 million and Baht 1,781.41 million, respectively. Due to an increase of the total liabilities, the ratio of debt to equity as of 31 December 2016 increased to 0.98 times from the ratio of 0.77 as at 31 December 2015.

#### **4. Liquidity and capital adequacy**

Source of funds at the present, most of the funding comes from shareholders and loans from financial institutions and investors who interested and has a relationship with the Company continuous for a long time. The Company has a policy for all subsidiaries to have the potential to self-finance to support business independently. Meanwhile the company is ready to support and promote its subsidiaries by the

introduction of good relationships with commercial banks and financial institutions, as well as support for future capital markets of subsidiaries in the group.

For the financing of companies in the future, the Company has a policy to provide funding matching with the activities and purpose of money payment according of the appropriate of debt to equity ratio, carefully consider the necessity and the appropriate of raising capital from capital markets.

#### **Maintaining capital to Net liquidity assets**

According to the Securities and Exchange Commission (SEC) rule, Securities business must has the net liquidity fund at the end of any working day not less than 7% of the general liabilities. As of 31 December 2014, 2015 and 2016, AS had a net capital adequacy ratio of 68.3%, 86.48% and 58.48%, respectively, Show that AS has sufficient liquidity to run a business and still have the ability to expand the business plan. In addition, AS must maintain a liquidity fund of not less than Baht 25 million at the end of the day and maintain a net capital ratio of not less than 7% of the general liabilities. The method is calculated as follows; liquidity assets after specific risk and total liabilities deduction and divided by the general liabilities.

#### **5. Obligations for liabilities and off balance sheet management**

As at 31 December 2016, the Company and its subsidiaries had commitments of Baht 207 million in respect of the rental of space for the minimum lease of a building for a minimum period of 1 to 9 years and obligations in the securities business to pay fees related to the business at a fixed rate both fixed amount and / or percentage of trading value / contract.

#### **6. Factors affecting future performance**

On 24 February 2017, the Board of Directors of the Company approved the investment in AIRA Asset Management Co., Ltd., which manages the fund management business by providing Private Fund management services, Mutual Fund and Securities Brokerage of Investment Units with a total investment of Baht 100 million, divided into 10 million shares at the par value of Baht 10 per share, which the Company holds 99.99%. The company was registration on 2 March 2017.

On 24 February 2017, the Board of Directors of the Company approved the capital increase of 450 million shares of AIRA & AIFUL Public Company Limited (associated company) at Baht 1 per share, totaling Baht 450 million in proportion to the existing shareholding to support the expansion of business. The Company expected paid up in May 2017. As of 28 February 2017, AIRA & AIFUL Public Company Limited had a total of 86 branches and service points (Booth) nationwide, 666 employees, 106,127 loan customers, and Baht 1,720 million in Credit lending amount.

## CODE OF CONDUCT

The Board of Directors is aware of significance of making available the Code of Conduct which is a key device to enhance the transparency in the Company's operation and to ensure the Company's implementation of the good governance policy and the anti-corruption policy in all respects. The Board of Directors has thus required the Company to provide written Code of Conduct and disseminate it to persons concerned for acknowledgement. The Board of Directors intends to use the Code of Conduct as manual or guideline for every director, executive and employee to conduct and perform the assigned duties and missions with integrity, honesty and fairness toward the Company and all groups of interested persons.

### Definitions

The following definitions shall be applied to the terms under the Code of Conduct of AIRA Capital Public Company Limited as follows.

|                           |                                                                                                                                                                                                                                                                                                                 |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Company" means           | AIRA Capital Public Company Limited                                                                                                                                                                                                                                                                             |
| "Director" means          | A person possessing qualifications of the director under section 68 of the Public Limited Company Act B.E. 2535 (A.D. 1992) and elected from the Meeting of Shareholders to function as the director and herein shall include the executive director, company director and consultant of the Board of Directors |
| "Executive" means         | The Chief Executive Officer, line executives, including executive pursuant to the definition of the SEC Office                                                                                                                                                                                                  |
| "Employee " means         | The permanent employee, temporary employee, employee under a special agreement                                                                                                                                                                                                                                  |
| "Interested person" means | The natural person, group of persons, juristic person concerned or directly impacted from the Company's operations, such as, shareholder, employee, customer, trading partner, creditor, trade competitor, etc.                                                                                                 |
| "Customer" means          | The trading partner purchasing the Company's services or goods                                                                                                                                                                                                                                                  |
| "Trading partner" means   | The natural person, group of persons or juristic person doing business with the Company                                                                                                                                                                                                                         |

Note: Executive pursuant to the definition of the office of SEC means “manager or person holding a position at the first four management level positions subsequent to the manager and every person holding a position equivalent to the person holding the fourth management level position and shall include the person holding a management level position in the accounting or financial division from the department manager level or higher or equivalent.”

## **1. Principles**

### **1.1 Integrity, fairness and responsibility in the business operation**

The Company is determined to conduct its business with integrity, honesty and non-involvement with violation of human rights in all respects, having ethic in operation by adhering to anti-corruption principle and equal treatment principle in rendering services to customers in a fair manner with transparency, including not taking any action which constitutes omission or evasion to perform duties or denying responsibilities that the Company should have towards honest customers.

### **1.2 Knowledge and competence in the business operation**

The Company has standard in efficiently conducting its business with knowledge, understanding, expertise and attentiveness in performance of duties in accordance with the professional principles as well as supporting the use of professional experts in rendering services to customer for accomplishment of the Company’s business operation and for the maximum benefit of customers.

### **1.3 Compliance with prescribed rules and standard**

The Company has observed all related rules or regulations and required its employees to abide by their own duties and responsibilities as prescribed by laws.

### **1.4 Responsibility to society and environment**

Responsibility to society and environment is one of the Company’s policies to give back to society. Therefore, the Company emphasizes on strict compliance with the related laws and regulations and shall assist and support social activities for benefits of the overall society.

### **1.5 Customers**

The Company is determined to protect benefits of customers, take care and be responsible to create the most satisfaction to customers by providing good services and products to attract customers to continued using the Company’s services.

### **1.6 Shareholders**

The Company has the policy to operate business with efficiency and transparency, creating performance capable of yielding a continuous high return stable and appropriate to shareholders,

including taking care of benefits of both major and minor shareholders based on their rights in a fair manner.

#### 1.7 Employees

The Company considers every employee as the extremely valuable resource. Hence, it has the policy in promoting and developing knowledge and skills of the employees aimed towards his or her progress, job security and appropriate compensation in accordance with his or her knowledge, skills and performance by requiring regular and fair performance evaluation for self-acknowledgement and self-improvement to enhance his or her working efficiency.

#### 1.8 Know customers

The Company should have sufficient data of customers that can be verified for benefit of rendering services to customers properly.

#### 1.9 Confidentiality of customers

The Company builds confidence to customers by protecting and keeping customers' information in strict confidence, not disclosing the customers' information, unless authorized in writing by its customers or in a case of mandatory disclosure as prescribed by law.

#### 1.10 Conflict of interest

The Company must avoid potential conflict of interest within the Company and companies in the group and establish a measure to address the situation that may have the conflict of interest between the Company and its customers for fairness to render services to customers.

#### 1.11 Maintenance of the financial status

The Company conducts assessment of the potential risk which may affect the Company's status and performance, and has plan to allocate fund in the amount sufficient to accommodate any obligation resulting from its business operation and potential risk.

#### 1.12 Organization and internal control

The Company provides the appropriate format for structuring its organization in order to obtain efficient administration and appropriate internal control system, and prescribes work rules and regulations in line with the applicable laws and regulations.

#### 1.13 Cooperation with regulator

The Company has the policy to provide cooperation with the regulator and immediately delivers information to the regulator whenever it is required.

### 2. Ethic of directors

The Company's directors have guidelines to perform duty in accordance with the Company's Code of Conduct. The Company's directors shall not only have obligation and responsibility to the Company and

its shareholders, but also to customers and interested persons. To pay regard to interest of all the said group of people, there is a guideline for directors to comply as follows.

1. To perform duties under applicable laws, rules and requirements pertaining to its business operation, including performing duties to meet the Company's objectives and articles of association as well as resolutions of the Meeting of Shareholders;
2. To perform his or her own duties at full capacity with integrity, honesty, fairness, transparency and moraL in order to generate the utmost benefit to the Company;
3. To have independence in making a decision, commit an act based on rightness and have ethic in conducting its business;
4. Refrain from any action that may cause the conflict of interest to the Company, including
  - Not to seek benefits from being the directors or executives, nor exploit information acquired as a result of being the directors or executives for his or her own financial interest or personal business and refrain from use that information for financial interest or business of others;
  - Not to disclose the Company's confidentiality to third party, in particular, to the competitors;
  - Not being a director in a company that is the Company's competitor;
  - Do not acquire any benefit or interest in entering into any agreement;
  - Not to accept any articles or benefits that causes conflict of interest with that of the Company whether for his or her own benefit or any family member.

### **3. Ethics of executives**

The Board of Directors wishes the executives to express their intention to conduct the Company's business with transparency and good moral and perform their duties with integrity, honesty, carefulness and prudence for the Company's utmost benefits, thus imposing ethic of executives as guideline to comply with as follows.

1. Executives shall make any decision in good faith for the utmost benefits of Company, customers, shareholders and employees;
2. Executives shall perform their duties with caution, prudence, attentiveness and wide vision and as a role model to enhance efficiency and effectiveness and morality to achieve the Company's objects and goals;
3. Executives shall treat employees with courtesy, control the subordinates with impartiality and refrain from the abuse of their powers;
4. Executives shall adhere to ethics and morality by behaving themselves as a good model for other employees and create the working environment to promote the working with ethics and morality;

5. Executives shall support building the employee's potential development and increasing working efficiency as well as providing employees with appropriate benefits, being sincere and respect to the employees' right and their opinions.

#### **4. Ethics of the Company's employees**

The Company's business involves financial transactions and services that must be carried out based on trustworthiness and trust gained from external organizations and general people. Therefore, the Board of Directors requires that the Company's employees must adhere to following etiquettes as their practical guideline.

##### **4.1 Treatment to the Company**

1. To support the Company's policies, comply with the Company's work rules and regulations, perform duties delegated by the Company and strictly comply with rules, regulations, announcements, requirements and resolutions of the Board of Directors;
2. To perform duties with integrity, honesty, devotion as well as dedication and care for the Company's interests and assets to be in a good condition for the maximum exploitation, including not use it for their own personal interest whether directly or indirectly;
3. To completely and efficiently perform the Company's works by taking into account of the interest and benefit of the Company;
4. To have good attitude, refrain from accusing the Company unfairly and without truth, be caution of making comments to others in relation to any issue that may affect the Company's reputation or operation;
5. To disclose relationship with outside organizations and institutions or relatives to avoid any potential conflict of interest;
6. To strictly maintain confidentiality of the Company and customers and refrain from using the internal information of the Company or customers whether for their own benefit or for others;
7. Refrain from wrongfully use the information acquired as a result of their performance of duties nor disclosing such information to any of unrelated persons

##### **4.2 Treatment to superiors, subordinates and colleagues**

1. To create unity, kindness and assistance for each other, refrain from causing conflict leading to an injury to other persons and the Company, including providing proper cooperation and coordination for works and the Company;

2. To respect rights of other employees in the same organization, refrain from criticizing in such a manner to cause damage to colleague and Company and not claiming work of others to be his/her own work;
3. To listen to opinions and suggestions of subordinates about works within the scope of the authority, listen to advices of superiors and consider applying them in the way useful to the Company's works, and refrain from performing works without obeying his/her higher superiors;
4. To refraining from behaving in a way causing disgrace or damage to the Company;
5. To report or ask for recommendations from superiors as soon as a problem in connection with his/her work arises or there is any doubt in any potential risk to the Company's business.

#### 4.3 Treatment to themselves

1. To strictly comply with the Company's work rules and regulations;
2. To have a good attitude towards the Company, respect, obey and comply with the duly given orders of superiors, which are issued in accordance with the Company's policy, rule and articles of association;
3. To perform duties with responsibilities, integrity, honesty and ethics in operating business;
4. To have consciousness in self-responsibilities and performance of duties;
5. To diligently and consistently educate him/herself to enhance their skills for efficiency of work performance;
6. To refrain from exercising his/her powers or allowing others relying upon his/her power to abuse it whether directly or indirectly to seek benefits to themselves or others.

#### 4.4 Treatment to customers and trading partners

1. To maintain confidentiality of customers and trading partners and refrain from disclosing information of customers and trading partners to any person;
2. To refrain from exploiting information of customer and trading partners to seek benefits for themselves or others which would lead to any act or decision causing the conflict of interest with that of customers, trading partners, Company and shareholders;
3. To refrain from making use of any news and internal information or information which is not supposed to be disclosed to public to seek advantage for personal trading or investment or other businesses which may cause damage to customers and trading partners;
4. To refrain from distributing or disseminating information or any document belonging to the Company's customers and trading partners given in doing business with the Company to third party or any person in the Company not having a duty to know such information without

written consent of the customers and trading partners, except as required to disclose by relevant applicable laws;

5. To refrain from claiming benefits from customers and trading partners in exchange for performing works within the scope of their authority;
6. To refrain from accepting or hosting a party, privileges or expensive gifts or the receipt that causes employees to comply with the trading partners' requirement which is against the Company's normal practices.

## **5. Monitoring of the Compliance**

1. The Company deems that it is obligation and responsibility of every director, executive and employee to acknowledge, comprehend and strictly comply with requirements as prescribed in this Code of Conduct. If it is found that there is any violation or action against this Code of Conduct, the Company will consider and take appropriate action.
2. Executives in every level are charged with monitoring the compliance and responsibility to ensure that the employees under his/her control shall acknowledge, understand and strictly comply with the Company's Code of Conduct.
3. Whenever there is a doubt about a procedure to comply with the Company's Code of Conduct, inquiries can be asked from superiors or advices from the Office of the Company secretary in charge with responsibility to clarify about the procedure to comply with it.
4. The Office of the Company secretary is charged with responsibility to prepare the Company's Code of Conduct and consideration of the channel or process for monitoring of the compliance with the said Code of Conduct, including making a proposal for regular review and update every year to make the Company's Code of Conduct up-to-date and suitable for the change of business environment by proposing to the Good Governance Committee for approval and presenting to the Board of Directors for consideration and approval

## **6. Recommendations when any problem arises**

This Company's Code of Conduct cannot cover all subject matters. Employees may encounter other unexpected cases. Whenever employees are uncertain about appropriate action to be taken, they should consult with superiors according to the hierarchy.

The Board of Director of the Company is opposed to all forms of bribery and corruption as unethical behavior erodes free and fair competition, harms society and impedes economic development. The Company, in its ongoing efforts to maintain high ethical standards, and with a view to upholding its position against any form of bribery and corruption, has implemented the policies and procedures below.

- A clear Anti-Bribery and Corruption Policy with detailed guidance and procedures, which covers the following areas: political contributions; charitable contributions and sponsorships; gifts and hospitality; facilitation payments; and business relationships.
- Encourages the directors, executives and employees of the Company, supports partners, allies, and all stakeholders, be aware of and focus on the fight against corruption and corruption.
- A regular bribery and corruption risk assessment to review the mitigation measures and ensure they are appropriate.
- Training for all employees to recognize the use of bribery and corruption by themselves or others so they can avoid it.
- Suitable channels of communication which encourage employees to be vigilant and report any suspicion of bribery and corruption.
- Procedures for taking vigorous action against any individuals involved in bribery and corruption.
- A regular review of the internal control systems and procedures to ensure they are effective in countering bribery and corruption.
- A monitoring system to ensure that the policy and procedures are effective.

Moreover, the Company signed a declaration of collective action from 17 November 2015, by the private sector with the objective of creating a coalition against corruption that will cooperate with civil society, the media, and international organizations in order to foster cleaner business practices. On 31 December 2016, the company is in the process of certification from Thailand's Private Sector Collective Action Coalition against Corruption (CAC).

For subsidiaries, associates and affiliates company, the Company is committed to promoting the importance of anti-corruption and corruption among its. The company has delivered its policy to subsidiaries, associates and affiliates in order to ensure that adopt the Company's policy for adapted to suit their business characteristics, for the companies in the AIRA Group to take action on anti-corruption and corruption measures under the same principle. The subsidiaries that show their intention to participate in the Thai Anti-Corruption Alliance's anti-corruption program are subsidiaries, AIRA Securities Public Company Limited ("AS") and AIRA Factoring Public Company Limited ("AF").

The Board of Directors of AIRA Capital Public Company Limited has adhered to the Good Corporate Governance principles as a management tool for promoting sustainable growth and building confidence to shareholders, investors, interested persons and all relevant parties by delegating the Good Governance Committee to regulate the Company's operations to be in compliance with the Company's Good Corporate Governance policy and in line with requirements and practical guidelines on the good governance of the Stock Exchange of Thailand and the SEC Office including complying with the international practice standard .

Moreover, on 14 November 2016 the Board of Directors passed a resolution No. 8/2016, assigning the Good Governance Committee to perform the main duty in adopting and applying the Company's anti-corruption policy to achieve concrete effects, monitor compliance with the policy and review the Company's anti-corruption policy on an annual basis.

In 2016, the Good Governance Committee performed its duties in accordance with the prescribed roles and responsibilities, including providing support to subsidiary and affiliated companies to establish the corporate culture to conform to the Good Corporate Governance. The Good Governance Committee has participated in propelling the Company to strictly abide by the Good Corporate Governance policy with details as follows.

## **Chapter 1 : Rights of shareholders**

The Board of Directors has focused on importance of fundamental rights of shareholders both as investors in securities and owners of companies, for example, a right to receive the fair profit sharing and dividend, a right to sufficiently receive the Company's information, etc., in particular, a right of shareholders in the meeting of shareholders. In 2016, the Company held the Annual General Meeting of Shareholders on 25 April 2016 and the Board of Directors has taken actions in matters to promote and provide convenience for shareholders to exercise of their rights as follows.

1. To promote a right of shareholders to jointly make a decision in the Company's crucial matters, for instance, the Company allowed shareholders' entitlement to votes in every essential Agenda for consideration, namely, appointment of directors, consideration on remunerations of directors, appointment of certified auditors, etc.

2. The Company delivered notice of the meeting together with information in support of the meeting pursuant to Agendas to shareholders and the Registrar for acknowledgement not less than 7 days before the meeting and published in a newspaper to notify the date of scheduled meeting for a consecutive period not less than 3 days before the meeting date, including disclosing details and substances of the meeting as well as comments of the Board of Directors in each of the Agendas.

3. If shareholders cannot attend the meeting in person, the Company allowed shareholders to authorize the independent director or any person to attend the meeting on their behalf by using proxy form that the Company delivered to shareholders along with the Notice of the Meeting.

4. Before the date of shareholders meeting, the Company allowed shareholders and institutional investors to send opinions, suggestions and inquiries in advance via the Company's website or through the Investor Relations division, telephone 0-2684-8981, facsimile 0-2684-8980 or Email: [ir@aira.co.th](mailto:ir@aira.co.th).

5. Before beginning of the meeting, the Company clarified a voting method and a vote counting method.

6. During the meeting, the Chairman allocated the appropriate time and encouraged shareholders and institutional investors to ask questions and deliver their opinions in issues pertaining to the Company fairly. The entire Board of Directors, in particular, the Chairman of the Sub-Committees, Chief Executive Officer, representative from certified auditor and related executives attended the meeting and jointly replied to inquiries of shareholders in every point.

7. Following the shareholders meeting, the Company completed preparing the minutes within 14 days from the meeting date. The minutes contained correct and complete information, recorded questions and answers and voting results in each of the Agendas, and was disclosed on the Company's website for shareholders to check the correctness.

## **Chapter 2 : Equal treatment to shareholders**

In 2016, the Board of Directors performed a duty governing the grant of equal treatment and protection of fundamental rights to every shareholder to ensure confidence of investors in making investment with the Company. In particular, the Annual General Meeting of Shareholders held on 25 November 2016 contained details as follows.

1. Before commencing the shareholders meeting, the Company's secretary who was assigned to perform a duty as a secretary to the shareholders meeting notified the shareholders of crucial information for acknowledgement, namely, introducing directors, executives and person concerned

attending the meeting, informing the meeting regulations, the numbers and proportions of shareholders and proxies attending the meeting. The meeting was in accordance with the Company's articles of association and agenda orders in all respects. In each of the agendas, explicit and full descriptions together with comments of the Board of Directors and supportive information for consideration were presented without adding another agenda other than those specified in the notice of the meeting and without distributing any additional documents in the meeting which would deprive rights of shareholders who were unable to attend the meeting in person.

2. In order to protect rights of minor shareholders, the Board of Directors allowed minority shareholders to propose adding agendas and nominate a person to be the director in advance before the Annual General Meeting of Shareholders. In 2016, the Company notified rules and periods for shareholders to take such actions via the electronic media of the Stock Exchange of Thailand (Electronic Company Information Disclosure: ELCID) and on the Company's website during 3 October – 31 December 2016.

3. The Board of Directors focused on measures to protect use of internal information. The Board of Directors in the meeting No. 5/2014 on 14 August 2014 approved the policy on application of internal information for buying, selling, transferring or receiving the transfer of company shares by prohibiting directors, executives and employees from using the internal information not yet disclosed to public for buying, selling, transferring or receiving the transfer of the Company's shares during a period of 30 days prior to disclosure of the financial statement to public. The Company's secretary shall regularly remind relevant directors, executives and employees of recognition of the said policy before disclosing the financial statement every quarter. In 2016, the directors, executives and employees strictly complied with the said policy.

4. The Board of Directors prescribed the policy, requiring the director to have duty to disclose or report the director's interests, including the buying, selling and holding of company securities to the Board of Directors' Meeting for acknowledgement every time of a change in his securities holding. The Company's secretary was assigned to report such information to the Board of Directors for acknowledgement. In 2016, directors complied with the said policy.

Determination of the Board of Directors in giving significance to the good corporate governance policy, in particular, in Chapter 1: rights of shareholders and Chapter 2 : equal treatment to shareholders, yielded a concrete effect toward the Company's receipt of an evaluation result in the maximum level, that is, "excellence" with a score of 100 points from the quality assessment of organizing the Annual General Meeting of Shareholders (AGM Checklist) organized by the Thai Investors Association.

### Chapter 3 : Roles of interested persons

The Board of Directors was aware of the importance on rights of every group of interested persons whether interested insiders, namely, employees and executives or interested outsiders, such as, competitors, customers, etc. The Board of Directors realized that supports and comments from every group of interested persons would be beneficial to the Company's performance and business development and promote cooperation between the Company and every group of interested persons to generating stability to the Company.

Moreover, the Board of Directors imposed the policy, requiring the Company to comply with the related laws and rules to protect rights of every group of interested persons, namely,:

1. Prescribing a policy to comply with relevant laws and regulations so that the rights of stakeholders are governed by the principles of universal human rights.
2. Prescribing a policy to protect the property and copyright where the Company has a policy and practical measures to prevent any and all infringement of intellectual property.
3. Prescribing measures to report of a clue or complain from every group of interested persons, customers and general people, in particular, a direct complaint to the Board of Directors (Whistle Blowing) through various channels, such as, postal delivery, telephone, facsimile and email. Upon being reported, the Company shall processed through the investigative procedures, remedy measures, including the protective measures to protect the complainant or whistleblower to assures the confidence of the complainant and whistleblower.
4. Prescribing the towards partners policy, especially the selection of partners clearly and concretely.
5. Prescribing the Corporate Social Responsibility (CSR) by organizing a training and educating the employees with regard to the society and environment and encourage the employee's continued participation in the Company's CSR activities.
6. Prescribing the explicit and tangible policy and practical guideline in relation to the Company's workforce development. In 2016, the Company sent its personnel to attend 44 courses of workshops and seminars with the total of 339 hours.
7. The Company is responsible for maintaining a safe working environment for the lives and assets of its employees, and strictly adheres to the labor law. In 2016, no employees or employees of the company get accident or illness from working.

#### Chapter 4 : Information disclosure and transparency

The Board of Directors acknowledged the significance of the accurate, complete and transparent disclosure of information, report on financial information and general information in accordance with rules of the SEC Office and Stock Exchange of Thailand as well as another crucial information, which would have an impact on a decision making process of investors and interested persons. In 2016, the Company provided the disclosure of information and transparency as follows.

1. The company aims to be a Holding Company to create value added for investors, The target group is the financial sector, which is not less than 75% of the financial sector. Non-financial sector does not exceed 25% of total investment. To support the economic growth of Thailand and Asia. Including preparation for expansion. To support the opening of the ASEAN Community (AEC). The group has grown significantly, consumers and consumers, as the population in this region is about 600 million, which can be connected by law, taxation, transportation and trade. So, the business at the company interests to Investing include; Foreign currency exchange; Leasing; Hire Purchase; Consumer Finance; Insurance; Property and Energy business, whose business goals are vital to future economic growth in the country.

2. The Company realized the importance of the Investor Relations Division, a main division in contacting, coordinating and supplying the Company's information and news to a third person, namely, shareholders, institutional investors, general investors, analysts and related government units. From the Board of Directors' resolution No. 3/2014 on 20 October 2014, the Board approved the investor relations etiquettes to be used as an operational framework for the investor relations. Moreover, disclosure of the information regarding communication with the Investor Relations division in the Company's Annual Report and website has provided correct and appropriate information to third party, in compliance with the good corporate governance.

3. The Board of Directors is in charge of the consolidated financial statements of the Company and its subsidiary companies and financial information disclosed to the public. The said financial statements have been prepared in accordance with the generally accepted accounting standard in Thailand. The Audit Committee has reviewed a quality of the financial report and internal control system, including sufficient disclosure of material information in the note to financial statements.

4. The Board of Directors has disclosed the updated and material information, which was required for the disclosure in Thai and English languages through website of the Stock Exchange of Thailand and the Company's website, the Annual Report (56-2 Form) and the Annual Statement (56-1 Form). Information disclosed by the Company is complete and in accordance with the practical guidelines of the Company's good corporate governance policy in all respects.

## Chapter 5 : Responsibilities of the Board of Directors

### 1. Structure of the Board of Directors

The Board of Directors has diversified composition comprising directors who have knowledge and competence and have significant role in prescribing policy and overall image of organization as well as independently regulating, supervising, checking and evaluating the Company's performance to meet the plan. The Board of Directors has served to designate the policy and oversee works performed by the management in a policy level while executives have perform administrative duties in various areas to meet the policy determined by the Board of Directors as follows.

In 2016, the composition of the Board of Directors of AIRA Capital Public Company Limited comprises 12 directors.

| No. | List of Directors                         | Position                                           |
|-----|-------------------------------------------|----------------------------------------------------|
| 1   | Mr. Pakorn Malakul na Ayudhya             | Chairman / Independent Director                    |
| 2   | Mr. Nopporn Phicha                        | Chairman of Audit Committee / Independent Director |
| 3   | Mrs. Chiraporn Chemnasiri                 | Audit Committee / Independent Director             |
| 4   | Associate Professor Anchalee Pipatanasern | Audit Committee / Independent Director             |
| 5   | Associate Professor Niputh Jitprasonk     | Independent Director                               |
| 6   | Mr. Prinya Waiwatana                      | Independent Director                               |
| 7   | Mr. Anant Sirisaengtaksin                 | Independent Director                               |
| 8   | Mrs . Kongkeaw Piamduaytham               | Director                                           |
| 9   | M.R. Kasemvisuth Visuthi                  | Director                                           |
| 10  | Mr .Wisoot Karnchanapunyapong             | Director                                           |
| 11  | Mr. Wutthiphum Jurangkool                 | Director                                           |
| 12  | Mrs. Naline Ngamsetthamas                 | Director / Chief Executive Officer                 |

- Note:**
1. Comprises 11 non-executive directors and 1 director holding an executive position, appropriate for the Company's size
  2. Comprises 7 independent directors, representing a number not less than one-third of the total directors, a proportion more stringent than requirements of the Office of SEC
  3. The Chairman of the Board is an independent director. The Chairman of the Board and the Chief Executive Officer is not the same person. The Company has separated roles, duties and responsibilities between the Chairman of the Board and the Chief Executive Officer clearly.

## 2. Sub-Committees

For purpose of closely monitoring and governing the Company's operation, the Board of Directors has appointed 5 Sub-Committees to perform the duties on particular areas and referring the matters to the Board of Directors for consideration or acknowledgement and preparing a report on the performance result to the Board of Directors for acknowledgement on an annual basis. The Sub-Committees shall have charters as their framework for performance of their duties. The Chairman of the Board does not have a position either as the chairman of the sub-committee or a member of the sub-committee to enable the sub-committees to function independently.

### 2.1 Audit Committee

In 2016, the Audit Committee had a total of 4 meetings, consisted of 3 Independent Directors with the following names.

| Names                                        | Positions                       |
|----------------------------------------------|---------------------------------|
| 1. Mr. Nopporn Phicha                        | Chairman of the Audit Committee |
| 2. Mrs. Chiraporn Chemnasiri                 | Audit Committee Member          |
| 3. Associate Professor Anchalee Pipatanasern | Audit Committee Member          |

### 2.2 Nomination and Remuneration Committee

In 2016, the Nomination and Remuneration Committee had a total of 2 meetings, consisted of 3 members with the following names.

| Names                                    | Positions                                             |
|------------------------------------------|-------------------------------------------------------|
| 1. Associate Professor Niputh Jitprasonk | Chairman of the Nomination and Remuneration Committee |
| 2. M.R. Kasemvisuth Visuthi              | Nomination and Remuneration Committee Member          |
| 3. Mr. Prinya Waiwatana                  | Nomination and Remuneration Committee Member          |

### 2.3 Corporate Governance Committee

In 2016, the Corporate Governance Committee had a total of 2 meetings, consisted of 3 members with the following names.

| Names                            | Positions                                      |
|----------------------------------|------------------------------------------------|
| 1. Mrs. Kongkeaw Piamduaytham    | Chairman of the Corporate Governance Committee |
| 2. Mrs. Chiraporn Chemnasiri     | Corporate Governance Committee Member          |
| 3. Mr. Wisoot Karnchanapunyapong | Corporate Governance Committee Member          |

## **2.4 Risk Management Committee**

In 2016, the Risk Management Committee had a total of 3 meetings, consisted of 4 members with the following names.

| <b>Names</b>                             | <b>Positions</b>                          |
|------------------------------------------|-------------------------------------------|
| 1. Mr. Prinya Waiwatana                  | Chairman of the Risk Management Committee |
| 2. Associate Professor Niputh Jitprasonk | Risk Management Committee Member          |
| 3. Mr. Anant Sirisaengtaksin             | Risk Management Committee Member          |
| 4. Mr. Suthiporn Tantikul                | Risk Management Committee Member          |

## **2.5 Investment Committee**

In 2016, the Investment Committee had a total of 8 meetings, consisted of 4 members with the following names.

| <b>Names</b>                     | <b>Positions</b>                     |
|----------------------------------|--------------------------------------|
| 1. Mrs. Naline Ngamsetthamas     | Chairman of the Investment Committee |
| 2. Mr. Wisoot Karnchanapunyapong | Investment Committee Member          |
| 3. Mr. Prinya Waiwatana          | Investment Committee Member          |
| 4. Mr. Pairoj Laungthaleongpong  | Investment Committee Member          |

## **3. Roles, duties and responsibilities of the Board of Directors**

The Board of Directors has taken parts in prescribing vision, mission, strategies, policies and guidelines for the business operation and governed the Company's performance in accordance with laws, objectives, articles of association, and resolutions of the shareholders meeting.

In 2016, the Board of Directors took parts in considering and approving the following matters:

- 1) Approved reports of the sub-committees to follow up and oversee to ensure efficiency of the sub-committees' performance;
- 2) Appointed the Chairman of the Company;
- 3) Approved transactions associated with investments of subsidiaries, namely, dividend payment, additional investment, increase of registered capital and disposal of investments in its subsidiaries and approved appointment of directors and chief executives as per the Company's articles of association regarding the governing and regulating subsidiaries and affiliated companies;
- 4) Approved 2016 directors' remunerations;
- 5) Approved the Business Continuity Plan;

- 6) Approved the anti-corruption policy;
- 7) Approved the review of the good corporate governance policy
- 8) Approved the review of the business ethics;
- 9) Approved the review of charters of the Board of Directors and sub-committees;
- 10) Approved the 2016 performance evaluation form of directors and sub-committees, including the performance evaluation form of the Chief Executive Officer (CEO);
- 11) Approved the CEO performance evaluation;
- 12) Approved the quarterly and annually financial reports audited by the certified auditors and reviewed by the Audit Committee. The Board of Directors shall be responsible for the consolidated financial statements of the Company and subsidiaries, including the Company's financial information.

#### 4. Board of Directors' Meeting

Details of attendances of the directors in the 2016 Annual General Meeting of Shareholders, Board of Directors' meeting and meetings of the sub-committees in 2016 are as follows.

| Names of the Company's member of the Board  | 2016 Annual General Meeting of Shareholders | Board of Directors | Audit Committee | Investment Committee | Corporate Governance Committee | Nomination and Remuneration Committee | Risk Management Committee |
|---------------------------------------------|---------------------------------------------|--------------------|-----------------|----------------------|--------------------------------|---------------------------------------|---------------------------|
| 1. Mr. Pakorn Malakul na Ayudhya *          | 1/1                                         | 7/9                |                 |                      |                                |                                       |                           |
| 2. Mr. Nopporn Picha                        | 1/1                                         | 8/9                | 4/4             |                      |                                |                                       |                           |
| 3. Mrs. Jiraporn Chamnasiri                 | 1/1                                         | 9/9                | 4/4             |                      | 2/2                            |                                       |                           |
| 4. Associate professor Anchalee Pipatnasern | 1/1                                         | 8/9                | 4/4             |                      |                                |                                       |                           |
| 5. Associate Professor Niputh Jitprasonk    | 1/1                                         | 8/9                |                 |                      |                                | 2/2                                   | 2/2                       |
| 6. Mr. Prinya Waiwatana                     | 1/1                                         | 9/9                |                 | 7/8                  |                                | 2/2                                   | 2/2                       |
| 7. Mr. Anant Sirisaengtaksin                | 1/1                                         | 8/9                |                 |                      |                                |                                       | 2/2                       |
| 8. Mrs. Kongkeaw Piamduaytham               | 1/1                                         | 9/9                |                 |                      | 2/2                            |                                       |                           |
| 9. M.R. Kasemvisuthi Visuthi                | 1/1                                         | 9/9                |                 |                      |                                | 2/2                                   |                           |
| 10. Mr. Wisoot Karnchanapunyapong           | 1/1                                         | 8/9                |                 | 7/8                  | 2/2                            |                                       |                           |
| 11. Mr. Wutthiphum Jurangkool               | 0/1                                         | 4/9                |                 |                      |                                |                                       |                           |
| 12. Mrs. Naline Ngamsetthamas               | 1/1                                         | 9/9                |                 | 8/8                  |                                |                                       |                           |

Note: \*Mr. Pakorn Malakul Na Ayudhya was appointed to hold an office of the Company's member of the Board and the independent director under a resolution of the Board of Directors' meeting No. 2/2016 on 25 February 2016 and appointed to be the Chairman of the Board of Directors in place of Mr. Suphachai Phisitvanich pursuant to a resolution of the Board of Directors' meeting No. 3/2016 on 4 April 2016

In consideration of subject matters, the Chairman of the Board of Directors who acted as the Chairman in the meeting would allow directors to independently express their opinions. In certain Agendas, chief executives may attend the meetings to provide additional, useful information and details thereof in a capacity of relevant persons, including for direct acknowledgement of the policies to enable them to efficiently perform the duties. Voting in the Board of Directors' meeting shall be by a majority vote. One member shall have one vote. The member having interest would not attend the meeting and/or refrained from casting votes in that matter. In case of a tie vote, the Chairman of the meeting shall have a casting vote.

The Board of Directors set the minimum number of quorum in a Board meeting while the directors will vote at the meeting, there must be at least two-thirds of the total number of directors attending the meeting and no conflict of interest on the agenda.

#### **5. Meeting of the non-executive directors**

The Board of Directors encouraged the non-executive directors to have the meetings without the presence of executive directors so that the non-executive directors could independently debate and discuss issues with respect to management in their interest without involvement of the management party. The Board of Directors thus requires the meeting of the non-executive directors at least once a year.

In 2016, the Board of Directors scheduled the meeting of the non-executive directors on 14 November 2016 in which all of 11 the Company's non-executive directors attended the meeting.

#### **6. Meeting of the independent directors**

The Board of Directors requires the independent directors to hold their own meeting of the independent directors to independently discuss matters at least once a year.

In 2016, the Board of Directors scheduled the meeting of the independent directors on 14 November 2016 in which all of 7 the Company's independent directors attended the meeting.

## 7. Nomination and remuneration determination

The Board of Directors requires the Nomination and Remuneration Committee to provide the nomination policy for the directors and chief executives and fix remunerations of the directors and chief executives required to be paid at appropriate levels, taking into account of the Company's operation result and in line with the same business or industry, including properness of duties and responsibilities of the individual directors and executives.

Remuneration of directors are in the form of meeting allowances. The Board of Directors shall propose all kinds of remunerations to the shareholders meeting for approval every year.

In 2016, the 2016 Annual General Meeting of Shareholders on 25 April 2016 approved the remuneration of directors and sub-committee in the form of meeting allowance in attending the relevant meeting, with the following details.

### Meeting allowances for the Board of the Company

|                                      |                                |                      |
|--------------------------------------|--------------------------------|----------------------|
| Chairman of the Board of the Company | received meeting allowances of | Baht 18,000 per time |
| Members                              | received meeting allowances of | Baht 12,000 per time |

### Meeting allowances for Subcommittees

|                                      |                                |                      |
|--------------------------------------|--------------------------------|----------------------|
| Chairman of the Board of the Company | received meeting allowances of | Baht 12,000 per time |
| Members                              | received meeting allowances of | Baht 6,000 per time  |

**Note:** If the Chairman and members of the Board of Directors or Subcommittees come from the executives, they will receive the meeting allowances reduced in half from those received by the Chairman and members coming from the third party.

In 2016, the Board of Directors received the meeting allowances totaling Baht 1,566,000.00 divisible into the following 6 Committees

| Board of Directors and Subcommittees of  | Number of Meetings<br>(times) | Meeting allowances<br>(Baht) |
|------------------------------------------|-------------------------------|------------------------------|
| 1. Board of Directors                    | 9                             | 1,140,000                    |
| 2. Audit Committee                       | 4                             | 120,000                      |
| 3. Investment Committee                  | 8                             | 156,000                      |
| 4. Nomination and Remuneration Committee | 2                             | 48,000                       |
| 5. Corporate Governance Committee        | 2                             | 48,000                       |
| 6. Risk Management Committee             | 3                             | 54,000                       |

## **8. Orientation for new directors**

In case of change of director, the Board of Directors requires orientation of every new director before functioning as the director.

The management party will arrange documents and information useful to the performance of duties as the director so that the new director shall beware of roles, duties, responsibilities, policies and practical guidelines of the Company's good corporate governance as well as learning and understanding the Company's business operation to be ready for performing the duties as director. In 2016, Mr. Pakorn Malakul Na Ayudhya was a new director.

## **9. Self-evaluation of the Board of Directors**

The Board of Directors requires self-evaluation performance of the Company's member of the Board of Directors on a regular, annual basis in order to review and compile comments on issues in connection with the Company's operations and the Board of Directors' performance which will contribute to continuous development of good corporate governance. The Board of Directors will bring the evaluation result for analyzing and seeking a conclusion to determine measures to enhance the efficiency of the Board of Directors' performance.

In 2016, the performance evaluation form of the Company's Board of Directors consists of:

- 1) The evaluation form of the Board of Directors;
- 2) Individual members evaluation form (Self-evaluation by directors);
- 3) Sub-Committees evaluation form for the Good Governance Committee, Nomination and Remuneration Committee, the Risk Management Committee and the Investment Committee;
- 4) Chief Executive Officer (CEO) performance evaluation form.

The Audit Committee will have the self-evaluation in a specific format for evaluating the performance of duties by the entire Audit Committee.

## **10. Development of directors and executives**

The Company has the policy to promote and facilitate the training and educating directors and executives involved in the Company's corporate governance system, for instance, the Member of the Good Governance Committee, Audit Committee and financial and accounting executives, etc., for continued

performance enhancement, including a requirement on the management party to prepare the business development and succession plan in the event that the chief executives are unable to perform their duties.

In the year 2016, the 12 Board of Directors have been trained in directorate courses of the Thai Institute of Director Association: IOD as detailed below.

| Courses                              | Number of trained directors (persons) | List of Directors                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director Accreditation Program (DAP) | 6                                     | <ol style="list-style-type: none"> <li>1. Mr. Nopporn Phicha</li> <li>2. Mrs. Chiraporn Chemnasiri</li> <li>3. M.R. Kasemvisuth Visuthi</li> <li>4. Mr. Prinya Waiwatana</li> <li>5. Mr .Wisoot Karnchanapunyapong</li> <li>6. Mrs. Naline Ngamsetthamas</li> </ol>                                                                                                        |
| Director Certification Program (DCP) | 8                                     | <ol style="list-style-type: none"> <li>1. Mr. Anant Sirisaengtaksin</li> <li>2. Mr. Nopporn Phicha</li> <li>3. Mrs. Chiraporn Chemnasiri</li> <li>4. Associate Professor Anchalee Pipatanasern</li> <li>5. Mr. Prinya Waiwatana</li> <li>6. Associate Professor Niputh Jitprasonk</li> <li>7. Mrs . Kongkeaw Piamduaytham</li> <li>8. Mr. Wutthiphum Jurangkool</li> </ol> |
| Audit Committee Program (ACP)        | 4                                     | <ol style="list-style-type: none"> <li>1. Mrs. Chiraporn Chemnasiri</li> <li>2. Associate Professor Anchalee Pipatanasern</li> <li>3. Mr. Prinya Waiwatana</li> </ol>                                                                                                                                                                                                      |

| Courses                                                             | Number of<br>trained<br>directors<br>(persons) | List of Directors                                                                                                                                                         |
|---------------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                     |                                                | 4. Associate Professor Niputh Jitprasonk                                                                                                                                  |
| Advanced Audit Committee Program (AACP)                             | 4                                              | 1. Mr. Anant Sirisaengtaksin<br>2. Mr. Nopporn Phicha<br>3. Mrs. Chiraporn Chemnasiri<br>4. Mrs . Kongkeaw Piamduaytham                                                   |
| Corporate Governance for Capital Market Intermediaries (CGI)        | 5                                              | 1. Mr. Nopporn Phicha<br>2. Mrs. Chiraporn Chemnasiri<br>3. Associate Professor Anchalee Pipatanasern<br>4. Mr .Wisoot Karnchanapunyapong<br>5. Mrs. Naline Ngamsetthamas |
| Financial Institutions Governance Program (FGP)                     | 1                                              | 1. Mr. Pakorn Malakul na Ayudhya                                                                                                                                          |
| Financial Statements for Directors (FSD)                            | 1                                              | 1. Mr. Wutthiphum Jurangkool                                                                                                                                              |
| IOD Exclusive Event (M-IEE)                                         | 1                                              | 1. Mrs. Naline Ngamsetthamas                                                                                                                                              |
| Monitoring the Internal Audit function (MIA)                        | 2                                              | 1. Associate Professor Anchalee Pipatanasern<br>2. Associate Professor Niputh Jitprasonk                                                                                  |
| Monitoring the System of Internal Control and Risk Management (MIR) | 3                                              | 1. Associate Professor Anchalee Pipatanasern<br>2. Mr. Prinya Waiwatana<br>3. Associate Professor Niputh Jitprasonk                                                       |

| Courses                                                | Number of trained directors (persons) | List of Directors                                                                                                                                    |
|--------------------------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Monitoring Fraud Risk Management (MFM)                 | 1                                     | 1. Associate Professor Anchalee Pipatanasern                                                                                                         |
| Monitoring of the Quality of Financial Reporting (MFR) | 1                                     | 1. Associate Professor Anchalee Pipatanasern                                                                                                         |
| Role of the Compensation Committee (RCC)               | 1                                     | 1. Mr. Prinya Waiwatana                                                                                                                              |
| The role of Chairman Program (RCP)                     | 4                                     | 1. Mr. Pakorn Malakul na Ayudhya<br>2. Associate Professor Anchalee Pipatanasern<br>3. Mr. Wisoot Karnchanapunyapong<br>4. Mrs. Naline Ngamsetthamas |
| Role of the Nomination and Governance Committee (RNG)  | 1                                     | 1. Mrs. Kongkeaw Piamduaytham                                                                                                                        |

## 11. Communication with the management party

The Board of Directors has encouraged the Company's chief executives to attend the Board of Directors' Meetings, in which they are required to present the information about their responsible agendas to the Board of Directors' Meetings so that the Board of Directors would directly receive information and opinions from the executives directly in charge of the works, and at the same time, the executives would acquire the opportunity to learn and understand the Board of Directors' perspectives. Also, the Board of Directors has encouraged the meeting and exchanging opinions between directors and chief executives in other occasions other than the Board of Directors' Meeting so that the directors would have a chance to familiarize with the Company's chief executives through direct communication with each of the Company's executives without interference with the management party's operation.

## 12. Company Secretary

The Board of Directors passed a resolution No. 1/2554 on 21 September 2011 to appoint Miss Netsine Naksuk, who passed the Company Secretary Program 21/2007 and the Effective Minute Taking 6/2007 Program from the Thai Institute of Directors (IOD) to act as the Company secretary, in charge of providing advice on relevant rules and regulations that the Board of Directors is required to know and performance of duties in taking care of activities of the Board of Directors, including coordinating with concerned parties to ensure the implementation of the Board of Directors' resolutions, as well as performing relevant duties in accordance with the rules and requirements of the Office of SEC and the Stock Exchange of Thailand in a correct, complete and legal manner, including communicating with shareholders and taking due care of shareholders.

A handwritten signature in blue ink, appearing to read 'Kongkeaw Piamduaytham'.

( Mrs . Kongkeaw Piamduaytham )

Chairman of the Corporate Governance Committee

AIRA Capital Public Company Limited

## AUDIT COMMITTEE REPORT

### To the Shareholders of AIRA Capital Public Company Limited

The Audit Committee of AIRA Capital Public Company Limited has been appointed from the Board of Directors, which consist of the three independent directors, as follows:

- |                                             |                             |
|---------------------------------------------|-----------------------------|
| 1. Mr. NoppornPicha                         | Chairman of Audit Committee |
| 2. Mrs. ChirapornChamnasiri                 | Audit Committee Member      |
| 3. Associate Professor AnchaleePipatanasern | Audit Committee Member      |

All Audit Committee members are qualified in accordance with the requirements of the Audit Committee, which aligns with the regulations and guidelines on the conduct for the Audit Committee of the Office of the Securities and Exchange Commission.

The important scope and duties include the examination of the Company's Financial Statements, to ensure its correctness and sufficiency. There shall also be an examination conducted to ensure that the Company has an internal control system and that such internal control system is suitable and effective, including maintaining that the Company complies with the relevant regulations and laws.

The Audit Committee has performed its duties in accordance within the scope, duties and responsibilities assigned by the Company's Board of Directors, which aligns with the regulations of the Stock Exchange of Thailand. In the year 2016, there were four meetings of the Audit Committee, with all Audit Committee members attending the meeting. There were also joint meetings with the executives, auditor and internal auditor, as appropriate. The essence of such meetings is as follows:

- 1) **Examine the financial information of the Company on a quarterly basis and the 2016 Financial Statements:** there were joint meetings held with the auditor and executives. There was an opinion given that the financial information has been prepared in accordance with the general accounting standard, with appropriate and sufficient information disclosure. The auditor has expressed its unconditional opinion in the audit report and has presented such to the Board of Directors, shareholders and stakeholders in accordance with the prescribed criteria.
- 2) **Examine the internal control:** to ensure that the Company has an environment which has sufficient and appropriate internal control and has continuous improvement, there is disclosure of information with integrity and without any conflict of interest. There is compliance with legal and regulatory requirements of relevant government bodies, which have been reported to the Board of Directors for notification or consideration as the case may be.
- 3) **Examine the internal audit:** by considering the mission, scope of work, duties and responsibilities, independence, capacity and budget of the internal audit unit, as well as approving the audit plan for the year 2016, which has been prepared on the basis of the evaluation of internal control, and there is scope of coverage in various work systems which are important to the Company. In addition, the Audit

Committee has the opinion that the Company has sufficient, appropriate and effective internal control, including continuous development of the audit both for the human resources and performance audit, which aligns with the international standard.

- 4) **Revise the Audit Committee Charter:** the Audit Committee has considered the Audit Committee Charter of the Company to consider its improvement and correction in relation to the power of the Audit Committee and minute so that it aligns with the criteria and guidelines on compliance with the good corporate governance principle, the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
- 5) **Examine the connected transactions or conflict of interest transactions:** to comply with the law and the criteria, which the Capital Market Supervisory Board and other related bodies prescribed to ensure that such transaction will be appropriate and have the best interest to the Company and the shareholder, having appropriate conditions and price. It is agreed that such transactions shall be proposed to the Board of Directors for consideration, approval and disclosure of such information to the Stock Exchange of Thailand.
- 6) **Self-evaluation of the Audit Committee:** to ensure that the performance of the duties of the Audit Committee is effective and efficient, is able to achieve the assigned objectives of the Board of Directors of the Company, that there is continuous development and improvement and to report the overall evaluation results to the Board of Directors for the year 2016 to be at a good level.
- 7) **To consider the selection of the appointment proposal and proposal of the auditor's remuneration for the year 2016:** there is proposal of opinion to the Board of Directors of the Company to present to the shareholders meeting for consideration to approve the appointment at the AGM.
- 8) **To review and give opinion on anti-corruption:** practicability and concordance of company's anti-corruption policy include the proper apply to achieve best performance.
- 9) **To review, control and Follow-up:** company's progress according to anti-corruption policy and internal control practices which correspond with the policy.

The Audit Committee has performed its duties according to the Audit Committee Charter. There was free expression of opinion and suggestions. Regarding the overall situation of the year 2016, the Audit Committee is of the opinion that the financial statements of the Company have been prepared according to the general accounting standard. There is compliance with laws, regulations and relevant rules concerning operation, good corporate governance, internal control and risk management, which is effective and appropriate to the current situation.



(Mr. Nopporn Picha)

Chairman of the Audit Committee

**To the Shareholders of AIRA Capital Public Company Limited**

The Risk Management Committee of AIRA Capital Public Company Limited has been appointed by the Board of Directors. The Risk Management Committee's members are qualified in accordance with the Risk Management Committee Charter and have performed duties as the scope, obligation responsibility assigned by the Board of Directors.

In the year 2016, there were two meetings of the Risk Management Committee. The meetings was to consider the Enterprise Risk Management guidelines and major risks of the Company including risk evaluation, risk monitoring, and risk control in order to maintain such risks within acceptance levels. In addition, the Risk Management Committee oversees the actual progress are conducted in line with the designated risk management policy and framework to ensure that risks are systematically and efficiently managed. According to that, the risk management department is assigned to examine and review the risk management to accomplish the indicated objectives.

During the year 2016, AIRA Capital Public Company Limited was in the process of achieving a certification from the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Risk Management Committee and the risk management department, therefore, give precedence to evaluate corruption risks, outline anti-corruption procedures, and collaborate to accomplish as the Company has declared its intention against corruption.

The Risk Management Committee aims to support the company's operation. It also intends to continuously develop and improve risk management procedures to be more efficient in order to support the group of Company expansion and sustain its growth in the future.



Mr. Prinya Waiwatana

Chairman of the Risk Management Committee

REPORT OF THE BOARD  
OF DIRECTORS ON FINANCIAL  
STATEMENTS

**To the Shareholders of AIRA Capital Public Company Limited**

The Board of Directors of AIRA Capital Public Company Limited is responsible for the financial statements and financial information appearing in the Annual Report. The financial statements were compiled according to the accepted accounting standards in Thailand, with selection of appropriate accounting policies and consistently applied. Reasonable care was taken into account when compiling the financial statements, and significant information was sufficiently disclosed in the accompanying notes. It was also ensured that the Company has adequate risk management systems, good governance, sufficient internal controls, and adheres to related rules and regulations.

The Board of Directors has appointed an Audit Committee consisting of members who are not Company administrators and who are independent committee members to be in charge of the quality of the financial statements and efficiency of the internal control system. The opinions of the Audit Committee on such issues are included in the Audit Committee's report published in the Annual Report.

The Board of Directors is of the opinion that the overall internal controls of the Company are sufficient and appropriate, with reasonable confidence in the financial statements as at December 31, 2015, which have been audited according to generally accepted accounting standards by the Company's auditor. The auditor has given the opinion that the financial statements correctly indicate the financial status and operational outcomes of the Company in essence and with adherence to generally accepted accounting principles.



( Mr. Pakorn Malakul na Ayudhya )

Chairman of the Board of Director



( Mrs. Naline Ngamsetthamas )

Chief Executive Officer

## AUDITOR'S REPORT

### To the Shareholders of AIRA Capital Public Company Limited

#### Opinion

I have audited the accompanying consolidated financial statements of AIRA Capital Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of AIRA Capital Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AIRA Capital Public Company Limited and its subsidiaries and of AIRA Capital Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the

performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole. Key audit matters and how audit procedures respond for each matter are described below.

#### ***Recognition of brokerage fees***

The Group's income mainly consisted of brokerage fees. These brokerage fees are derived from a large number of customers and are charged at percentages of trading volume, which are freely negotiated, and based on a sliding scale fee structure. Because of the size and volume of transactions, the large number of customers, the fees charged to customers being dependent on various factors, and the recognition of revenue from brokerage fees relying primarily on data processed by information systems, I addressed the measurement and occurrence of brokerage fees as a key audit matter.

The audit procedures I performed were to assess and test, on a sampling basis, the subsidiary's internal controls relevant to recognition of brokerage fees, including computer-based controls relevant to the calculation of brokerage fees. I also tested, on a sampling basis, the brokerage rates, calculation and account recording. In addition, I performed analytical procedures on brokerage fees and examined, on a sampling basis, material manual adjustments made via journal vouchers.

#### ***Interest income from factoring***

Interest income from factoring is another main Group's income. Interest income from factoring is derived from transactions with a large number of customers and the factoring conditions may vary for each customer. In addition, interest income from factoring is recognised using the effective interest rate method, over the age of the debts being factored. I therefore addressed the measurement and occurrence of interest income from factoring as a key audit matter.

The audit procedures I performed were to assess and test, on a sampling basis, the subsidiary's internal controls and computer system relevant to recognition of interest income from factoring, test the calculation of such income, and, on a sampling basis, assess the correctness of the recognition of interest income from factoring that occurred before and after the end of the reporting period. I also examined, on a sampling basis, the supporting documents for the factoring and related interest income occurring during the year, and evaluated the correctness of the accounting records. In addition, I performed analytical procedures on interest income from factoring in order to identify irregular transactions occurring during the reporting period.

***Allowance for doubtful accounts for securities business receivables***

As discussed in Note 4.6 to the financial statements, the subsidiary's allowance for doubtful accounts for securities business receivables is determined through consideration of specific reviews, collection risk and the value of the collateral. For securities trading and credit balance transactions, the subsidiary has policies regarding the collateral to be placed, with the value of collateral required dependent on the type of transaction, type of securities and credit limit, among other factors. The estimation of allowance for doubtful accounts for securities business receivables is significant because of the number of the customers and the significance of the amount of the receivables to the Group's consolidated financial statements. Therefore, I addressed the adequacy of allowance for doubtful accounts for such receivables as a key audit matter.

I have performed audit procedures on the allowance for doubtful accounts as follows:

- I assessed, and tested on a sampling basis, the subsidiary's internal controls relevant to the calculation of allowance for doubtful debts and the recording of allowance for doubtful accounts. I also assessed the methods applied by the subsidiary to the determination and calculation of the allowance, and compared the subsidiary's policy with regulatory requirements. Moreover, I tested certain controls, on a sampling basis, over the computer-based controls relevant to the status of accounts receivables, the calculation of the collateral value and the revaluation adjustments made to the fair values of collateral.
- I examined the allowance for doubtful accounts as at the period-end date by testing the completeness of the data used in the calculation of allowance for doubtful accounts, testing on a sampling basis the status of outstanding debts, the valuation of collateral items, collections of debt after the period-end date, the correctness of debt classification and the calculation of the allowance.

***Allowance for doubtful accounts for factoring receivables and loans receivable***

As discussed in Note 4.7 to the financial statements, management is required to exercise considerable judgement in determining the guidelines and policy to be used in calculating allowance for doubtful accounts for factoring receivables and loans receivable, and must comply with these guidelines and policy. In addition, the estimates allowances for doubtful accounts for factoring receivables and loans receivable are significant because the amounts of factoring receivables, loans receivable and related allowance for doubtful accounts are material to the Group's consolidated financial statements. Therefore, I addressed the adequacy of the allowance for doubtful accounts for such receivables as a key audit matter.

I have performed audit procedures on the allowance for doubtful accounts as follows:

- I assessed the subsidiary's internal controls relevant to the approval of credit limits, collection procedures, and the calculation and recording of allowance for doubtful accounts for factoring receivables and loans receivable.
- I assessed the methods and policy used in estimating and calculating allowance for doubtful accounts for factoring receivables and loans receivable. I also examined the completeness of data used in the calculation of the allowance and the correctness of the calculation of debtor aging and allowance for doubtful accounts, and the accounting records.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to

the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Miss Sumana Punpongsanon.

Sumana Punpongsanon

Certified Public Accountant (Thailand) No. 5872

EY Office Limited

Bangkok: 24 February 2017

Financial Statement of AIRA Capital Public Company Limited and subsidiaries as follow:

1. Statement of financial position As at 31 December 2016;
2. Statement of comprehensive income For the year ended 31 December 2016;
3. Statement of changes in shareholders' equity For the year ended 31 December 2016;
4. Cash flow statement For the year ended 31 December 2016

**AIRA Capital Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2016**

(Unit: Baht)

|                                                    |        | Consolidated financial statements |                      | Separate financial statements |                      |
|----------------------------------------------------|--------|-----------------------------------|----------------------|-------------------------------|----------------------|
|                                                    |        | As at                             | As at                | As at                         | As at                |
|                                                    | Note   | 31 December 2016                  | 31 December 2015     | 31 December 2016              | 31 December 2015     |
| <b>Assets</b>                                      |        |                                   |                      |                               |                      |
| <b>Current assets</b>                              |        |                                   |                      |                               |                      |
| Cash and cash equivalents                          | 7      | 938,957,718                       | 934,040,039          | 373,427,928                   | 270,366,645          |
| Short-term investments                             | 8      | 401,941,112                       | 564,721,670          | 30,068,557                    | 400,600,000          |
| Receivables from Clearing House                    | 9      | 521,538,887                       | 92,537,623           | -                             | -                    |
| Securities and derivatives business receivables    | 10     | 1,706,644,103                     | 1,169,920,429        | -                             | -                    |
| Factoring receivables                              | 11     | 2,116,439,480                     | 2,349,173,186        | -                             | -                    |
| Current portion of finance lease receivables       | 12     | 11,753,156                        | -                    | -                             | -                    |
| Current portion of hire purchase receivables       | 13     | 1,878,455                         | -                    | -                             | -                    |
| Current portion of loans receivable                | 14     | 6,032,000                         | 5,421,046            | -                             | -                    |
| Short-term loans to related parties                | 6      | -                                 | -                    | 61,316,250                    | 287,559,982          |
| Other receivables                                  | 15     | 33,954,969                        | 22,932,800           | 15,395,458                    | 696,311              |
| Other current assets                               |        | 20,829,098                        | 12,894,400           | 566,161                       | 628,636              |
| <b>Total current assets</b>                        |        | <b>5,759,968,978</b>              | <b>5,151,641,193</b> | <b>480,774,354</b>            | <b>959,851,574</b>   |
| <b>Non-current assets</b>                          |        |                                   |                      |                               |                      |
| Restricted deposit                                 |        | 227,743                           | 4,400,000            | -                             | 4,400,000            |
| Finance lease receivables - net of current portion | 12     | 49,183,106                        | -                    | -                             | -                    |
| Loans receivable - net of current portion          | 14     | 24,628,005                        | -                    | -                             | -                    |
| Investments in associates                          | 16     | 631,661,721                       | 266,690,660          | 791,799,970                   | 300,000,000          |
| Investments in subsidiaries                        | 17     | -                                 | -                    | 2,214,873,114                 | 1,926,303,713        |
| Other long-term investments                        | 18     | 3,000,000                         | 3,000,000            | -                             | -                    |
| Equipment                                          | 19     | 223,861,857                       | 96,307,014           | 4,951,741                     | 5,199,331            |
| Goodwill                                           | 17     | 137,736,928                       | 134,896,425          | -                             | -                    |
| Other intangible assets                            | 20     | 113,804,240                       | 111,176,637          | 405,324                       | 66,000               |
| Deferred tax assets                                | 35     | 6,182,953                         | 5,277,843            | -                             | -                    |
| Assets held for sale                               | 21     | 9,230,900                         | 9,853,200            | -                             | -                    |
| Prepaid rental expenses                            | 17, 22 | 233,491,390                       | -                    | -                             | -                    |
| Other non-current assets                           |        | 56,075,773                        | 45,584,222           | 1,292,037                     | 1,294,273            |
| <b>Total non-current assets</b>                    |        | <b>1,489,084,616</b>              | <b>677,186,001</b>   | <b>3,013,322,186</b>          | <b>2,237,263,317</b> |
| <b>Total assets</b>                                |        | <b>7,249,053,594</b>              | <b>5,828,827,194</b> | <b>3,494,096,540</b>          | <b>3,197,114,891</b> |

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

**AIRA Capital Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2016**

(Unit: Baht)

|                                                    |      | Consolidated financial statements |                      | Separate financial statements |                   |
|----------------------------------------------------|------|-----------------------------------|----------------------|-------------------------------|-------------------|
|                                                    |      | As at                             | As at                | As at                         | As at             |
|                                                    | Note | 31 December 2016                  | 31 December 2015     | 31 December 2016              | 31 December 2015  |
| <b>Liabilities and shareholders' equity</b>        |      |                                   |                      |                               |                   |
| <b>Current liabilities</b>                         |      |                                   |                      |                               |                   |
| Bank overdrafts and short-term loans               |      |                                   |                      |                               |                   |
| from financial institutions                        | 23   | 1,935,000,000                     | 1,229,637,225        | -                             | -                 |
| Payables to Clearing House                         | 24   | 5,291,587                         | 126,289,449          | -                             | -                 |
| Securities and derivatives business payables       | 25   | 696,723,376                       | 195,533,711          | -                             | -                 |
| Excess receipts awaiting to repay                  |      | 57,592,472                        | 18,049,948           | -                             | -                 |
| Other payables                                     | 26   | 31,541,471                        | 6,065,459            | 1,587,712                     | 926,285           |
| Current portion of liabilities under finance lease |      |                                   |                      |                               |                   |
| agreements                                         | 27   | 16,033,812                        | 457,112              | -                             | -                 |
| Current portion of subordinated debentures         | 28   | -                                 | 200,000,000          | -                             | -                 |
| Bills of exchange                                  | 29   | 459,566,822                       | 637,238,007          | -                             | -                 |
| Retention from factoring                           |      | 52,592,129                        | 46,278,533           | -                             | -                 |
| Income tax payable                                 |      | 18,610,531                        | 5,806,636            | -                             | -                 |
| Other current liabilities                          | 30   | 41,038,317                        | 35,397,832           | 3,485,637                     | 8,680,855         |
| <b>Total current liabilities</b>                   |      | <b>3,313,990,517</b>              | <b>2,500,753,912</b> | <b>5,073,349</b>              | <b>9,607,140</b>  |
| <b>Non-current liabilities</b>                     |      |                                   |                      |                               |                   |
| Non-current portion of liabilities                 |      |                                   |                      |                               |                   |
| under finance lease agreements                     | 27   | 38,499,239                        | -                    | -                             | -                 |
| Subordinated debentures                            | 28   | 200,000,000                       | -                    | -                             | -                 |
| Provision for long-term employee benefits          | 31   | 23,621,736                        | 22,047,005           | 4,462,789                     | 3,862,217         |
| Deferred tax liabilities                           | 35   | 8,135,714                         | 4,048,505            | -                             | -                 |
| Other non-current liabilities                      |      | 5,430,521                         | 5,120,837            | 444,048                       | 374,176           |
| <b>Total non-current liabilities</b>               |      | <b>275,687,210</b>                | <b>31,216,347</b>    | <b>4,906,837</b>              | <b>4,236,393</b>  |
| <b>Total liabilities</b>                           |      | <b>3,589,677,727</b>              | <b>2,531,970,259</b> | <b>9,980,186</b>              | <b>13,843,533</b> |

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

**AIRA Capital Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2016**

|                                                                     |        | (Unit: Baht)                      |                      |                               |                      |
|---------------------------------------------------------------------|--------|-----------------------------------|----------------------|-------------------------------|----------------------|
|                                                                     |        | Consolidated financial statements |                      | Separate financial statements |                      |
|                                                                     |        | As at                             | As at                | As at                         | As at                |
| Note                                                                |        | 31 December 2016                  | 31 December 2015     | 31 December 2016              | 31 December 2015     |
| <b>Shareholders' equity</b>                                         |        |                                   |                      |                               |                      |
| Share capital                                                       | 32     |                                   |                      |                               |                      |
| Registered                                                          |        |                                   |                      |                               |                      |
| 7,160,000,000 ordinary shares of Baht 0.25 each                     |        | 1,790,000,000                     | 1,790,000,000        | 1,790,000,000                 | 1,790,000,000        |
| Issued and paid-up                                                  |        |                                   |                      |                               |                      |
| 5,647,362,944 ordinary shares of Baht 0.25 each                     |        |                                   |                      |                               |                      |
| (31 December 2015: 5,496,760,513 ordinary shares of Baht 0.25 each) |        | 1,411,840,736                     | 1,374,190,128        | 1,411,840,736                 | 1,374,190,128        |
| Share premium                                                       |        | 1,959,868,514                     | 1,781,411,439        | 1,959,868,514                 | 1,781,411,439        |
| Capital reserve for share-based payment transactions                | 33     | -                                 | 1,422,513            | -                             | 1,422,513            |
| Cash receipt of share subscription                                  | 32, 33 | 2,527,209                         | 4,734,791            | 2,527,209                     | 4,734,791            |
| Retained earnings                                                   |        |                                   |                      |                               |                      |
| Appropriated - statutory reserve                                    | 34     | 15,627,921                        | 11,209,551           | 15,627,921                    | 11,209,551           |
| Unappropriated                                                      |        | (180,158,330)                     | (68,890,975)         | 94,251,974                    | 10,302,936           |
| Other component of shareholders' equity                             |        | (94,801,692)                      | (66,175,857)         | -                             | -                    |
| Equity attributable to shareholders of the Company                  |        | 3,114,904,358                     | 3,037,901,590        | 3,484,116,354                 | 3,183,271,358        |
| Non-controlling interests of the subsidiaries                       |        | 544,471,509                       | 258,955,345          | -                             | -                    |
| <b>Total shareholders' equity</b>                                   |        | <b>3,659,375,867</b>              | <b>3,296,856,935</b> | <b>3,484,116,354</b>          | <b>3,183,271,358</b> |
| <b>Total liabilities and shareholders' equity</b>                   |        | <b>7,249,053,594</b>              | <b>5,828,827,194</b> | <b>3,494,096,540</b>          | <b>3,197,114,891</b> |
|                                                                     |        | 0                                 | 0                    | 0                             | 0                    |

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

Directors

**AIRA Capital Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2016**

(Unit: Baht)

|                                                                    |      | Consolidated financial statements |                      | Separate financial statements |                   |
|--------------------------------------------------------------------|------|-----------------------------------|----------------------|-------------------------------|-------------------|
|                                                                    | Note | 2016                              | 2015                 | 2016                          | 2015              |
| <b>Revenues</b>                                                    |      |                                   |                      |                               |                   |
| Brokerage fees                                                     | 36   | 416,315,058                       | 398,803,134          | -                             | -                 |
| Fees and services income                                           | 37   | 59,980,914                        | 57,914,837           | -                             | -                 |
| Gain on investments                                                | 17.1 | 14,418,586                        | -                    | 36,000,000                    | 5,538,500         |
| Interest and dividend                                              |      | 41,086,057                        | 52,705,565           | 115,997,811                   | 92,717,310        |
| Interest on margin loans                                           |      | 88,136,014                        | 65,368,524           | -                             | -                 |
| Interest income from factoring                                     |      | 149,893,662                       | 155,960,934          | -                             | -                 |
| Rental and services income                                         |      | 28,927,581                        | -                    | -                             | -                 |
| Other incomes                                                      |      | 17,363,598                        | 2,971,835            | 660,600                       | 666,045           |
| <b>Total revenues</b>                                              |      | <b>816,121,470</b>                | <b>733,724,829</b>   | <b>152,658,411</b>            | <b>98,921,855</b> |
| <b>Expenses</b>                                                    |      |                                   |                      |                               |                   |
| Operating and administrative expenses                              |      |                                   |                      |                               |                   |
| Personnel expenses                                                 |      | 382,841,919                       | 327,506,318          | 42,146,259                    | 32,179,966        |
| Premises and equipment expenses                                    |      | 125,664,512                       | 91,463,748           | 5,840,165                     | 4,784,686         |
| Fees and services expenses                                         |      | 62,183,282                        | 56,583,093           | 3,350,376                     | 3,898,708         |
| Other expenses                                                     |      | 96,690,455                        | 105,931,419          | 12,880,998                    | 9,731,133         |
| Total operating and administrative expenses                        |      | 667,380,168                       | 581,484,578          | 64,217,798                    | 50,594,493        |
| Bad debt and doubtful accounts                                     |      | 3,381,700                         | 52,381,591           | -                             | -                 |
| Loss on investments                                                |      | -                                 | 53,219,878           | -                             | -                 |
| <b>Total expenses</b>                                              |      | <b>670,761,868</b>                | <b>687,086,047</b>   | <b>64,217,798</b>             | <b>50,594,493</b> |
| <b>Profit before share of loss from investments in associates,</b> |      |                                   |                      |                               |                   |
| <b>finance costs and income tax expenses</b>                       |      | <b>145,359,602</b>                | <b>46,638,782</b>    | <b>88,440,613</b>             | <b>48,327,362</b> |
| Share of loss from investments in associates                       | 16   | (126,718,018)                     | (33,439,046)         | -                             | -                 |
| <b>Profit before finance costs and income tax expenses</b>         |      | <b>18,641,584</b>                 | <b>13,199,736</b>    | <b>88,440,613</b>             | <b>48,327,362</b> |
| Finance costs                                                      |      | (85,442,338)                      | (98,805,906)         | (73,205)                      | (3,059,089)       |
| <b>Profit (loss) before income tax expenses</b>                    |      | <b>(66,800,754)</b>               | <b>(85,606,170)</b>  | <b>88,367,408</b>             | <b>45,268,273</b> |
| Income tax expenses                                                | 35   | (30,684,470)                      | (15,221,530)         | -                             | -                 |
| <b>Profit (loss) for the year</b>                                  |      | <b>(97,485,224)</b>               | <b>(100,827,700)</b> | <b>88,367,408</b>             | <b>45,268,273</b> |

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

**AIRA Capital Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2016**

(Unit: Baht)

|                                                                                                               |      | Consolidated financial statements |                      | Separate financial statements |                   |
|---------------------------------------------------------------------------------------------------------------|------|-----------------------------------|----------------------|-------------------------------|-------------------|
|                                                                                                               | Note | 2016                              | 2015                 | 2016                          | 2015              |
| <b>Other comprehensive income:</b>                                                                            |      |                                   |                      |                               |                   |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>                 |      |                                   |                      |                               |                   |
| Loss on re-measuring available-for-sale investments                                                           |      | (15,315,213)                      | (29,149,065)         | -                             | -                 |
| Exchange differences on translation of financial statement in foreign currency                                |      | 1,592,149                         | (843,753)            | -                             | -                 |
| Income tax relating to the components of other comprehensive income                                           | 35   | 3,063,043                         | 5,829,813            | -                             | -                 |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax     |      | (10,660,021)                      | (24,163,005)         | -                             | -                 |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>             |      |                                   |                      |                               |                   |
| Actuarial gain (loss)                                                                                         |      | 1,944,664                         | (3,946,440)          | -                             | (2,252,671)       |
| Income tax relating to the components of other comprehensive income                                           | 35   | (388,933)                         | 333,715              | -                             | -                 |
| Share of other comprehensive income of associates                                                             | 16   | (110,891)                         | -                    | -                             | -                 |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax |      | 1,444,840                         | (3,612,725)          | -                             | (2,252,671)       |
| Other comprehensive income for the year                                                                       |      | (9,215,181)                       | (27,775,730)         | -                             | (2,252,671)       |
| <b>Total comprehensive income for the year</b>                                                                |      | <b>(106,700,405)</b>              | <b>(128,603,430)</b> | <b>88,367,408</b>             | <b>43,015,602</b> |
| <b>Profit (loss) attributable to:</b>                                                                         |      |                                   |                      |                               |                   |
| Equity holders of the Company                                                                                 |      | (107,835,586)                     | (98,962,717)         | 88,367,408                    | 45,268,273        |
| Non-controlling interests of the subsidiaries                                                                 |      | 10,350,362                        | (1,864,983)          |                               |                   |
|                                                                                                               |      | (97,485,224)                      | (100,827,700)        |                               |                   |
| <b>Total comprehensive income attributable to:</b>                                                            |      |                                   |                      |                               |                   |
| Equity holders of the Company                                                                                 |      | (117,668,221)                     | (126,654,072)        | 88,367,408                    | 43,015,602        |
| Non-controlling interests of the subsidiaries                                                                 |      | 10,967,816                        | (1,949,358)          |                               |                   |
|                                                                                                               |      | (106,700,405)                     | (128,603,430)        |                               |                   |
| <b>Earnings per share</b>                                                                                     | 39   |                                   |                      |                               |                   |
| Basic earnings per share                                                                                      |      |                                   |                      |                               |                   |
| Profit (loss) attributable to equity holders of the Company                                                   |      | (0.019)                           | (0.021)              | 0.016                         | 0.010             |
| Diluted earnings per share                                                                                    |      |                                   |                      |                               |                   |
| Profit (loss) attributable to equity holders of the Company                                                   |      |                                   |                      | 0.015                         | 0.009             |

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

Directors

**AIRA Capital Public Company Limited and its subsidiaries**  
**Statement of changes in shareholders' equity**  
**For the year ended 31 December 2016**

| Consolidated financial statements                                                                                   |                                  |               |                                                      |                                       |                                  |                |                                                                       |                                             |                                                                                |              |                                               |                                                          | (Unit: Baht)                                                        |                            |
|---------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------|------------------------------------------------------|---------------------------------------|----------------------------------|----------------|-----------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------|--------------|-----------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------------|----------------------------|
| Equity attributable to shareholders of the Company                                                                  |                                  |               |                                                      |                                       |                                  |                |                                                                       |                                             |                                                                                |              |                                               |                                                          |                                                                     |                            |
| Note                                                                                                                | Issued and paid-up share capital | Share premium | Capital reserve for share-based payment transactions | Advance receipt of share subscription | Retained earnings                |                | Capital surplus (deficit) from change in shareholding in subsidiaries | Revaluation surplus (deficit) in investment | Other component of shareholders' equity                                        |              | Total other component of shareholders' equity | Total equity attributable to shareholders of the Company | Equity attributable to non-controlling interest of the subsidiaries | Total shareholders' equity |
|                                                                                                                     |                                  |               |                                                      |                                       | Appropriated - statutory reserve | Unappropriated |                                                                       |                                             | Exchange differences on translation of financial statement in foreign currency |              |                                               |                                                          |                                                                     |                            |
| <b>Balance as at 31 December 2014</b>                                                                               |                                  |               |                                                      |                                       |                                  |                |                                                                       |                                             |                                                                                |              |                                               |                                                          |                                                                     |                            |
|                                                                                                                     | 973,398,815                      | 605,832,205   | 2,707,825                                            | 3,957,275                             | 8,946,137                        | 77,172,460     | (36,583,467)                                                          | (20,595,250)                                | 757,445                                                                        | (56,421,272) | 1,615,593,445                                 | 90,620,069                                               | 1,706,213,514                                                       |                            |
|                                                                                                                     | -                                | -             | -                                                    | -                                     | -                                | (98,962,717)   | -                                                                     | -                                           | -                                                                              | -            | (98,962,717)                                  | (1,864,983)                                              | (100,827,700)                                                       |                            |
|                                                                                                                     | -                                | -             | -                                                    | -                                     | -                                | (3,612,725)    | -                                                                     | (23,319,252)                                | (759,378)                                                                      | (24,078,630) | (27,691,355)                                  | (84,375)                                                 | (27,775,730)                                                        |                            |
| 33                                                                                                                  | -                                | -             | 1,136,514                                            | -                                     | -                                | (102,575,442)  | -                                                                     | (23,319,252)                                | (759,378)                                                                      | (24,078,630) | (126,654,072)                                 | (1,949,358)                                              | (128,603,430)                                                       |                            |
| 40                                                                                                                  | -                                | -             | -                                                    | -                                     | -                                | -              | -                                                                     | -                                           | -                                                                              | -            | 1,136,514                                     | -                                                        | 1,136,514                                                           |                            |
|                                                                                                                     | -                                | -             | -                                                    | -                                     | -                                | (41,224,579)   | -                                                                     | -                                           | -                                                                              | -            | (41,224,579)                                  | -                                                        | (41,224,579)                                                        |                            |
| 32                                                                                                                  | 390,943,486                      | 1,172,580,458 | -                                                    | -                                     | -                                | -              | -                                                                     | -                                           | -                                                                              | -            | 1,563,523,944                                 | -                                                        | 1,563,523,944                                                       |                            |
| 34                                                                                                                  | -                                | -             | -                                                    | -                                     | 2,263,414                        | (2,263,414)    | -                                                                     | -                                           | -                                                                              | -            | -                                             | -                                                        | -                                                                   |                            |
|                                                                                                                     | -                                | -             | -                                                    | 11,202,293                            | -                                | -              | -                                                                     | -                                           | -                                                                              | -            | 11,202,293                                    | -                                                        | 11,202,293                                                          |                            |
| 17                                                                                                                  | -                                | -             | -                                                    | -                                     | -                                | -              | 14,324,045                                                            | -                                           | -                                                                              | 14,324,045   | 14,324,045                                    | -                                                        | 14,324,045                                                          |                            |
|                                                                                                                     | -                                | -             | -                                                    | -                                     | -                                | -              | -                                                                     | -                                           | -                                                                              | -            | -                                             | 8,400,454                                                | 8,400,454                                                           |                            |
| Subsidiary ordinary shares for non-controlling interest of the subsidiary                                           |                                  |               |                                                      |                                       |                                  |                |                                                                       |                                             |                                                                                |              |                                               |                                                          |                                                                     |                            |
|                                                                                                                     | -                                | -             | -                                                    | -                                     | -                                | -              | -                                                                     | -                                           | -                                                                              | -            | -                                             | 167,080,372                                              | 167,080,372                                                         |                            |
|                                                                                                                     | -                                | -             | -                                                    | -                                     | -                                | -              | -                                                                     | -                                           | -                                                                              | -            | -                                             | (5,196,192)                                              | (5,196,192)                                                         |                            |
| 32                                                                                                                  | 9,847,827                        | 2,998,776     | (2,421,826)                                          | (10,424,777)                          | -                                | -              | -                                                                     | -                                           | -                                                                              | -            | -                                             | -                                                        | -                                                                   |                            |
| <b>Balance as at 31 December 2015</b>                                                                               |                                  |               |                                                      |                                       |                                  |                |                                                                       |                                             |                                                                                |              |                                               |                                                          |                                                                     |                            |
|                                                                                                                     | 1,374,190,128                    | 1,781,411,439 | 1,422,513                                            | 4,734,791                             | 11,209,551                       | (68,890,975)   | (22,259,422)                                                          | (43,914,502)                                | (1,933)                                                                        | (66,175,857) | 3,037,901,590                                 | 258,955,345                                              | 3,296,856,935                                                       |                            |
| <b>Balance as at 31 December 2015</b>                                                                               |                                  |               |                                                      |                                       |                                  |                |                                                                       |                                             |                                                                                |              |                                               |                                                          |                                                                     |                            |
|                                                                                                                     | 1,374,190,128                    | 1,781,411,439 | 1,422,513                                            | 4,734,791                             | 11,209,551                       | (68,890,975)   | (22,259,422)                                                          | (43,914,502)                                | (1,933)                                                                        | (66,175,857) | 3,037,901,590                                 | 258,955,345                                              | 3,296,856,935                                                       |                            |
|                                                                                                                     | -                                | -             | -                                                    | -                                     | -                                | (107,835,586)  | -                                                                     | -                                           | -                                                                              | -            | (107,835,586)                                 | 10,350,362                                               | (97,485,224)                                                        |                            |
|                                                                                                                     | -                                | -             | -                                                    | -                                     | -                                | 986,601        | -                                                                     | (12,252,170)                                | 1,432,934                                                                      | (9,832,635)  | 617,454                                       | (9,215,181)                                              | (9,215,181)                                                         |                            |
|                                                                                                                     | -                                | -             | -                                                    | -                                     | -                                | (106,848,985)  | -                                                                     | (12,252,170)                                | 1,432,934                                                                      | (10,819,236) | (117,668,221)                                 | 10,967,816                                               | (106,700,405)                                                       |                            |
|                                                                                                                     | -                                | -             | 1,540,467                                            | -                                     | -                                | -              | -                                                                     | -                                           | -                                                                              | -            | 1,540,467                                     | -                                                        | 1,540,467                                                           |                            |
| 33                                                                                                                  | -                                | -             | -                                                    | -                                     | 4,418,370                        | (4,418,370)    | -                                                                     | -                                           | -                                                                              | -            | -                                             | -                                                        | -                                                                   |                            |
| 34                                                                                                                  | -                                | -             | -                                                    | 2,527,209                             | -                                | -              | -                                                                     | -                                           | -                                                                              | -            | 2,527,209                                     | -                                                        | 2,527,209                                                           |                            |
| 33                                                                                                                  | -                                | -             | -                                                    | -                                     | -                                | -              | -                                                                     | -                                           | -                                                                              | -            | -                                             | -                                                        | -                                                                   |                            |
|                                                                                                                     | -                                | -             | -                                                    | -                                     | -                                | -              | -                                                                     | -                                           | -                                                                              | -            | -                                             | (24,128,192)                                             | (24,128,192)                                                        |                            |
| 17                                                                                                                  | -                                | -             | -                                                    | -                                     | -                                | -              | (17,806,599)                                                          | -                                           | -                                                                              | (17,806,599) | (17,806,599)                                  | -                                                        | (17,806,599)                                                        |                            |
| increase in equity attributable to non-controlling interest of subsidiary from change in shareholding in subsidiary |                                  |               |                                                      |                                       |                                  |                |                                                                       |                                             |                                                                                |              |                                               |                                                          |                                                                     |                            |
|                                                                                                                     | -                                | -             | -                                                    | -                                     | -                                | -              | -                                                                     | -                                           | -                                                                              | -            | -                                             | 298,676,540                                              | 298,676,540                                                         |                            |
| 32                                                                                                                  | 37,650,608                       | 178,457,075   | (2,962,980)                                          | (4,734,791)                           | -                                | -              | -                                                                     | -                                           | -                                                                              | -            | 208,409,912                                   | -                                                        | 208,409,912                                                         |                            |
| <b>Balance as at 31 December 2016</b>                                                                               |                                  |               |                                                      |                                       |                                  |                |                                                                       |                                             |                                                                                |              |                                               |                                                          |                                                                     |                            |
|                                                                                                                     | 1,411,840,736                    | 1,959,868,514 | -                                                    | 2,527,209                             | 15,627,921                       | (180,158,330)  | (40,066,021)                                                          | (56,166,672)                                | 1,431,001                                                                      | (94,801,692) | 3,114,904,358                                 | 544,471,509                                              | 3,659,375,867                                                       |                            |

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



**AIRA Capital Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the year ended 31 December 2016**

(Unit: Baht)

|                                          |      | Separate financial statements |                      |                      |                  |                   |                   |                      |
|------------------------------------------|------|-------------------------------|----------------------|----------------------|------------------|-------------------|-------------------|----------------------|
|                                          |      | Issued and paid-up            |                      | Capital reserve      | Cash receipt     | Retained earnings |                   | Total                |
|                                          |      | share capital                 | Share premium        | for share-based      | of share         | Appropriated -    |                   | shareholders'        |
|                                          | Note |                               |                      | payment transactions | subscription     | statutory reserve | Unappropriated    | equity               |
| <b>Balance as at 31 December 2014</b>    |      | 973,398,815                   | 605,832,205          | 2,707,825            | 3,957,275        | 8,946,137         | 10,775,327        | 1,605,617,584        |
| Profit (loss) for the year               |      | -                             | -                    | -                    | -                | -                 | 45,268,273        | 45,268,273           |
| Other comprehensive income for the year  |      | -                             | -                    | -                    | -                | -                 | (2,252,671)       | (2,252,671)          |
| Total comprehensive income for the year  |      | -                             | -                    | -                    | -                | -                 | 43,015,602        | 43,015,602           |
| Share-based payment transactions         | 33   | -                             | -                    | 1,136,514            | -                | -                 | -                 | 1,136,514            |
| Dividend paid                            | 40   | -                             | -                    | -                    | -                | -                 | (41,224,579)      | (41,224,579)         |
| Increase share capital                   | 32   | 390,943,486                   | 1,172,580,458        | -                    | -                | -                 | -                 | 1,563,523,944        |
| Advance receipt of share subscription    | 32   | -                             | -                    | -                    | 11,202,293       | -                 | -                 | 11,202,293           |
| Capital increase due to convert warrants |      |                               |                      |                      |                  |                   |                   |                      |
| to shares                                | 32   | 9,847,827                     | 2,998,776            | (2,421,826)          | (10,424,777)     | -                 | -                 | -                    |
| Appropriation of retained earnings       | 34   | -                             | -                    | -                    | -                | 2,263,414         | (2,263,414)       | -                    |
| <b>Balance as at 31 December 2015</b>    |      | <u>1,374,190,128</u>          | <u>1,781,411,439</u> | <u>1,422,513</u>     | <u>4,734,791</u> | <u>11,209,551</u> | <u>10,302,936</u> | <u>3,183,271,358</u> |
| <b>Balance as at 31 December 2015</b>    |      | 1,374,190,128                 | 1,781,411,439        | 1,422,513            | 4,734,791        | 11,209,551        | 10,302,936        | 3,183,271,358        |
| Profit for the year                      |      | -                             | -                    | -                    | -                | -                 | 88,367,408        | 88,367,408           |
| Other comprehensive income for the year  |      | -                             | -                    | -                    | -                | -                 | -                 | -                    |
| Total comprehensive income for the year  |      | -                             | -                    | -                    | -                | -                 | 88,367,408        | 88,367,408           |
| Share-based payment transactions         | 33   | -                             | -                    | 1,540,467            | -                | -                 | -                 | 1,540,467            |
| Advance receipt of share subscription    | 33   | -                             | -                    | -                    | 2,527,209        | -                 | -                 | 2,527,209            |
| Capital increase due to convert          |      |                               |                      |                      |                  |                   |                   |                      |
| warrants to shares                       | 32   | 37,650,608                    | 178,457,075          | (2,962,980)          | (4,734,791)      | -                 | -                 | 208,409,912          |
| Appropriation of retained earnings       | 34   | -                             | -                    | -                    | -                | 4,418,370         | (4,418,370)       | -                    |
| <b>Balance as at 31 December 2016</b>    |      | <u>1,411,840,736</u>          | <u>1,959,868,514</u> | <u>-</u>             | <u>2,527,209</u> | <u>15,627,921</u> | <u>94,251,974</u> | <u>3,484,116,354</u> |
|                                          |      | 0                             | 0                    |                      | 0                | 0                 | 0                 | 0                    |
|                                          |      | 0                             | 0                    |                      | 0                | 0                 | 0                 | 0                    |

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

**AIRA Capital Public Company Limited and its subsidiaries**
**Cash flow statement**
**For the year ended 31 December 2016**

(Unit: Baht)

|                                                                                                            | Consolidated financial statements |                    | Separate financial statements |                     |
|------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------|-------------------------------|---------------------|
|                                                                                                            | 2016                              | 2015               | 2016                          | 2015                |
| <b>Cash flows from operating activities</b>                                                                |                                   |                    |                               |                     |
| Profit (loss) before tax                                                                                   | (66,800,754)                      | (85,606,170)       | 88,367,408                    | 45,268,273          |
| Adjustments to reconcile profit (loss) before tax to net cash provided by (paid for) operating activities: |                                   |                    |                               |                     |
| Depreciation                                                                                               | 45,780,113                        | 29,230,151         | 2,078,338                     | 1,934,208           |
| Amortisation of intangible assets                                                                          | 4,137,577                         | 3,087,976          | 28,566                        | 38,124              |
| Interest and dividend income                                                                               | (41,086,057)                      | (52,705,565)       | (115,997,811)                 | (92,717,310)        |
| Interest on margin loans income                                                                            | (88,136,014)                      | (65,368,524)       | -                             | -                   |
| Finance costs                                                                                              | 85,442,338                        | 98,805,906         | 73,205                        | 3,059,089           |
| Long-term employee benefits expenses                                                                       | 4,110,224                         | 5,649,810          | 600,572                       | 571,621             |
| Share-based payment transactions                                                                           | 1,540,467                         | 1,136,514          | 290,998                       | 234,298             |
| Gain on disposal of equipment                                                                              | (11,836,307)                      | (1,891,873)        | -                             | -                   |
| Loss from write-off equipment and intangible assets                                                        | 27,162                            | -                  | 27,089                        | -                   |
| Allowance for impairment loss on assets                                                                    | 622,300                           | 1,296,800          | -                             | -                   |
| Unrealised loss (gain) on exchange                                                                         | -                                 | -                  | 2,251,402                     | (660,929)           |
| Gain on changing in fair value of investments in trading securities                                        | (2,771,627)                       | (898,742)          | -                             | -                   |
| Gain on sales of investments in subsidiaries                                                               | -                                 | -                  | (36,000,000)                  | (5,538,500)         |
| Share of loss from investments in associates                                                               | 126,718,018                       | 33,439,046         | -                             | -                   |
| Bad debt and doubtful accounts                                                                             | 3,381,700                         | 52,381,591         | -                             | -                   |
| Profit (loss) from operating activities before changes in operating assets and liabilities                 | 61,129,140                        | 18,556,920         | (58,280,233)                  | (47,811,126)        |
| Operating assets decrease (increase)                                                                       |                                   |                    |                               |                     |
| Investments in trading securities                                                                          | (220,294,472)                     | 30,891,446         | -                             | -                   |
| Receivables from Clearing House                                                                            | (429,001,264)                     | 386,770,165        | -                             | -                   |
| Securities and derivatives business receivables                                                            | (448,587,660)                     | 215,835,260        | -                             | -                   |
| Factoring receivables                                                                                      | 229,482,894                       | 80,824,421         | -                             | -                   |
| Lease receivables                                                                                          | (61,063,028)                      | -                  | -                             | -                   |
| Hire purchase receivables                                                                                  | (1,971,284)                       | -                  | -                             | -                   |
| Loans receivable                                                                                           | (25,238,959)                      | 48,990,614         | -                             | -                   |
| Other receivables                                                                                          | (2,898,502)                       | (8,316,929)        | (123,130)                     | -                   |
| Other current assets                                                                                       | (3,807,763)                       | (556,613)          | 54,491                        | (208,634)           |
| Other non-current assets                                                                                   | (11,120,189)                      | (4,825,278)        | (547,936)                     | -                   |
| Operating liabilities increase (decrease)                                                                  |                                   |                    |                               |                     |
| Payables to Clearing House                                                                                 | (120,997,862)                     | 124,435,093        | -                             | -                   |
| Securities and derivatives business payables                                                               | 501,189,665                       | (296,991,596)      | -                             | -                   |
| Retention from factoring                                                                                   | 6,313,596                         | (1,087,587)        | -                             | -                   |
| Other payables                                                                                             | (5,863,227)                       | (2,903,481)        | 1,085,434                     | (494,820)           |
| Other current liabilities                                                                                  | 44,861,716                        | (33,980,200)       | (5,195,218)                   | (599,483)           |
| Cash paid for long-term employee benefits                                                                  | (836,749)                         | (2,710,012)        | -                             | -                   |
| Other non-current liabilities                                                                              | 309,684                           | 1,427,384          | 69,872                        | 140,316             |
| Cash flows from (used in) operating activities                                                             | (488,394,264)                     | 556,359,607        | (62,936,720)                  | (48,973,747)        |
| Cash received from interest and dividend                                                                   | 40,315,314                        | 119,092,185        | 11,631,750                    | 11,266,974          |
| Cash paid for interest expenses                                                                            | (71,066,568)                      | (88,587,900)       | (73,205)                      | -                   |
| Cash received (paid) for corporate income tax                                                              | (17,307,443)                      | (45,403,352)       | 558,156                       | (106,249)           |
| <b>Net cash flows from (used in) operating activities</b>                                                  | <b>(536,452,961)</b>              | <b>541,460,540</b> | <b>(50,820,019)</b>           | <b>(37,813,022)</b> |

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

(Unit: Baht)

|                                                                      | Consolidated financial statements |                      | Separate financial statements |                        |
|----------------------------------------------------------------------|-----------------------------------|----------------------|-------------------------------|------------------------|
|                                                                      | 2016                              | 2015                 | 2016                          | 2015                   |
| <b>Cash flows from investing activities</b>                          |                                   |                      |                               |                        |
| Decrease (increase) in short-term loan to subsidiaries               | -                                 | -                    | 223,992,330                   | (187,335,655)          |
| Cash paid for purchase of available-for-sale investments             | -                                 | (4,570,000)          | -                             | -                      |
| Cash received (paid) for short-term investment - fixed deposit       | 395,531,443                       | (400,600,000)        | 395,531,443                   | (400,600,000)          |
| Cash paid for long-term investment                                   | (25,000,000)                      | -                    | (25,000,000)                  | -                      |
| Decrease (increase) in restricted fixed deposit                      | 4,172,257                         | (4,400,000)          | 4,400,000                     | (4,400,000)            |
| Cash received from sales of investments in subsidiaries              | 236,000,000                       | 22,724,500           | 236,000,000                   | 22,724,500             |
| Cash paid for acquisitions of equipment and intangible assets        | (64,925,262)                      | (41,050,174)         | (2,649,734)                   | (1,522,862)            |
| Purchase of investments in subsidiaries                              | (21,812,431)                      | -                    | (487,319,932)                 | (602,919,628)          |
| Increase in investments in associates                                | (491,799,970)                     | -                    | (491,799,970)                 | -                      |
| Dividend received from subsidiaries                                  | -                                 | -                    | 89,790,044                    | 80,903,808             |
| Proceeds from sales of equipment                                     | 13,708,010                        | 2,085,607            | -                             | -                      |
| Cash paid for prepaid rental expenses                                | (233,491,390)                     | -                    | -                             | -                      |
| <b>Net cash flows used in investing activities</b>                   | <b>(187,617,343)</b>              | <b>(425,810,067)</b> | <b>(57,055,819)</b>           | <b>(1,093,149,837)</b> |
| <b>Cash flows from financing activities</b>                          |                                   |                      |                               |                        |
| Increase (decrease) in short-term loans from financial institutions  | 705,362,775                       | (20,362,775)         | -                             | -                      |
| Cash paid for finance lease                                          | (13,169,853)                      | (303,024)            | -                             | -                      |
| Subordinated debentures                                              | -                                 | (200,000,000)        | -                             | -                      |
| Cash received from bills of exchange                                 | 1,523,393,916                     | 1,369,901,069        | -                             | 297,844,261            |
| Cash paid for bills of exchange                                      | (1,715,000,000)                   | (2,290,000,000)      | -                             | (450,000,000)          |
| Proceeds from advance receipt of share subscription                  | 2,527,209                         | -                    | 2,527,209                     | -                      |
| Proceeds from increase in capital                                    | -                                 | 1,563,523,944        | -                             | 1,563,523,944          |
| Proceeds from increase in capital of subsidiaries                    |                                   |                      |                               |                        |
| from non-controlling interest                                        | 40,000,067                        | 167,080,372          | -                             | -                      |
| Proceeds from exercise of warrants                                   | 208,409,912                       | 11,202,293           | 208,409,912                   | 11,202,293             |
| Dividend paid                                                        | -                                 | (41,224,579)         | -                             | (41,224,579)           |
| Dividend paid to non-controlling interest by subsidiary              | (24,128,192)                      | (5,196,192)          | -                             | -                      |
| <b>Net cash flows from financing activities</b>                      | <b>727,395,834</b>                | <b>554,621,108</b>   | <b>210,937,121</b>            | <b>1,381,345,919</b>   |
| Differences on transaction of financial statement                    | 1,592,149                         | (843,753)            | -                             | -                      |
| <b>Net increase in cash and cash equivalents</b>                     | <b>4,917,679</b>                  | <b>669,427,828</b>   | <b>103,061,283</b>            | <b>250,383,060</b>     |
| Cash and cash equivalents at beginning of the year                   | 934,040,039                       | 264,612,211          | 270,366,645                   | 19,983,585             |
| <b>Cash and cash equivalents at end of the year</b>                  | <b>938,957,718</b>                | <b>934,040,039</b>   | <b>373,427,928</b>            | <b>270,366,645</b>     |
| <b>Supplemental cash flow information</b>                            |                                   |                      |                               |                        |
| Non-cash items                                                       |                                   |                      |                               |                        |
| Purchases of equipment and intangible assets recorded as liabilities | 23,540,738                        | 999,318              | 174,418                       | 598,425                |
| Loss on re-measuring available-for-sale investments                  |                                   |                      |                               |                        |
| - net of income tax                                                  | 12,252,170                        | 23,319,252           | -                             | -                      |
| Transfer of intangible assets to equipment                           | 1,348,200                         | -                    | -                             | -                      |
| Actuarial gain (loss) - net of income tax                            | 1,555,371                         | (3,612,725)          | -                             | (2,252,671)            |

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

**AIRA Capital Public Company Limited and its subsidiaries**

**Notes to consolidated financial statements for the year ended 31 December 2016**

**1. General information**

**1.1 General information of the Company**

AIRA Capital 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 7 July 2014. J R K Holding Company Limited, which was incorporated in Thailand, is the major shareholder. The Company is principally engaged in investment in other companies. The registered office of the Company is at No. 319, Chamchuri Square, 12th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok.

**1.2 General information of AIRA Securities Public Company Limited and its subsidiary**

a) AIRA Securities Public Company Limited operates its business in Thailand and undertakes securities business licenses as follows:

1. Securities brokerage
2. Securities trading
3. Investment advisory
4. Underwriting
5. Financial advisory
6. Securities borrowing and lending
7. Derivatives brokerage
8. Private fund management

b) AIRA Advisory Company Limited is a subsidiary of AIRA Securities Public Company Limited, domiciled in Thailand, and is principally engaged in the provision of financial advisory services. The Office of the Securities and Exchange Commission has permitted this company to operate as a financial advisor from 8 December 2014 to 7 December 2019.

**1.3 General information of AIRA Factoring Public Company Limited**

AIRA Factoring Public Company Limited is a public company incorporated and domiciled in Thailand and was listed on the Market for Alternative Investment (MAI) of

Thailand on 25 August 2004. Its principal activity is engaged in receivable factoring.

#### **1.4 General information of AIRA International Advisory (Singapore) Pte. Ltd.**

AIRA International Advisory (Singapore) Pte. Ltd. domiciled in Singapore and its principal activity is engaged in the financial services industry.

#### **1.5 General information of AIRA Property Public Company Limited**

AIRA Property Public Company Limited domiciled in Thailand and its principal activity is engaged in property industry.

#### **1.6 General information of AIRA Leasing Public Company Limited**

AIRA Leasing Public Company Limited domiciled in Thailand and its principal activity is engaged in finance lease, hire purchase and operating lease for industrial equipment and machines.

#### **1.7 General information of AIRA Venture Capital Company Limited**

AIRA Venture Capital Public Company Limited domiciled in Thailand and its principal activity is engaged in Venture Capital business, investing in companies with high growth potential 10 industries under the certification of the National Science and Technology Development Agency (NSTDA) according to tax measures to support the venture capital sector of the Government.

### **2. Basis of preparation**

- 2.1 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 and in conjunction with the Notifications of the Office of the Securities and Exchange Commission.

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.

#### **2.2 Basis of consolidation**

- a) The consolidated financial statements include the financial statements of AIRA Capital Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

| Company's name                                    | Nature of business                                                                     | Country of incorporation | (Unit: Percent)            |       |
|---------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------|----------------------------|-------|
|                                                   |                                                                                        |                          | Percentage of shareholding |       |
|                                                   |                                                                                        |                          | 2016                       | 2015  |
| <u>Held by the Company</u>                        |                                                                                        |                          |                            |       |
| AIRA Securities Plc. and its subsidiary           | Securities                                                                             | Thailand                 | 99.99                      | 99.99 |
| AIRA Factoring Plc.                               | Factoring                                                                              | Thailand                 | 71.55                      | 71.55 |
| AIRA International Advisory (Singapore) Pte. Ltd. | Financial services industry                                                            | Singapore                | 90.00                      | 90.00 |
| AIRA Property Plc. and its subsidiary             | Property industry                                                                      | Thailand                 | 60.00                      | 99.99 |
| AIRA Leasing Plc.                                 | Finance lease, hire purchase and operating lease for industrial equipment and machines | Thailand                 | 80.00                      | -     |
| AIRA Venture Capital Co., Ltd.                    | Venture capital business                                                               | Thailand                 | 99.99                      | -     |
| <u>Held by AIRA Securities Plc.</u>               |                                                                                        |                          |                            |       |
| AIRA Advisory Co., Ltd.                           | Financial advisory                                                                     | Thailand                 | 99.99                      | 99.99 |
| <u>Held by AIRA Property Plc.</u>                 |                                                                                        |                          |                            |       |
| Aspiration One Co., Ltd.                          | Property industry                                                                      | Thailand                 | 60.00                      | 60.00 |

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in

the statements of changes in shareholders' equity.

- f) Material balances and transactions between the Company and its subsidiaries companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Group and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associate under the cost method.

### **3. New financial reporting standards**

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become 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, 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 and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. 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 management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

## **TAS 27 (revised 2016) Separate Financial Statements**

This revised standard stipulates an additional option to account for investments in subsidiary in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

At present, the management of the Company and its subsidiary are evaluating the impact of this standard to the financial statements in the year when it is adopted.

### **4. Significant accounting policies**

#### **4.1 Revenue and expense recognition**

##### **a) Brokerage fees**

Brokerage fees on securities and derivatives trading are recognised as income on the transaction dates.

##### **b) Fees and services income**

Fees are recognised as income on an accrual basis. Service income is recognised when services have been rendered taking into the stage of completion.

Management fees of the subsidiary are calculated as a percentage of the net asset value of the funds managed by the subsidiary and recognised as income when services have been rendered.

##### **c) Gain (loss) on investments**

Gain (loss) on investments is recognised as income or expense on the transaction dates.

##### **d) Interest and dividend on investments**

Interest on investments is recognised as income on an accrual basis based on the effective interest rate. Dividends from investments are recognised when the right to receive the dividends is established.

##### **e) Interest on margin loans**

Interest is recognised as income on an accrual basis based on the effective interest rate. Except there is uncertainty as to the collectability of loans and interest, the subsidiary ceases accrual.

The following cases are considered as uncertainty of collectability of loans and interest.

- (1) Loans are not fully covered with collateral.
- (2) Installment loans with repayments scheduled no more than 3 months for each installment, which principal or interest is overdue more than 3 months.
- (3) Installment loans with repayments scheduled no less than 3 months for each installment, unless there is a clear evidence and high degree of certainty that full repayment is recovered.
- (4) Problem financial institution debtors.
- (5) Other receivables of which interest payment is overdue 3 months or more.

These conditions are based on the guidelines stipulated by the Office of the Securities and Exchange Commission.

f) 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.

g) Income on finance lease and hire purchase contracts

The subsidiary recognises income on finance lease and hire purchase contracts over the term of the contracts, using the effective rate method, with income recognised when the installments fall due irrespective of when actual collection is made. Recognition of interest income is stopped for receivables which have defaulted on more than 3 scheduled installment payments.

h) Income from operating lease contracts

Income from operating lease contracts is recognised on an accrual basis throughout the contract period based on a straight-line basis. The subsidiary ceases recognising income when income payments are in arrears for more than three months.

i) Expenses

Expenses are recognised on an accrual basis.

## 4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, all bank deposit accounts with an original maturity less than 3 months and not subject to withdrawal restrictions, promissory notes and term notes with an original maturity less than 3 months and exclude deposits used as collateral.

### 4.3 Recognition and recognised of customers' deposits

Cash collateral received from customers for trading in securities of cash balance accounts, credit balance accounts and placed as margin for derivatives trading are recorded as assets and liabilities of the subsidiary for the internal control purposes. As at the end of reporting period, the subsidiary excludes these amounts from both the assets and liabilities and presents only the assets which belong to the subsidiary.

### 4.4 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investment in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in non-marketable equity securities, which the subsidiary classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- d) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- e) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

Loss on impairment (if any) of investments in debt securities expected to be held to maturities, other investments, investment in associates and investments in subsidiaries are included in profit or loss.

The weighted average method is used for computation of the cost of investments.

In the event the Company and its subsidiaries reclassify investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other component of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### **4.5 Receivables from Clearing House**

Receivables from Clearing House comprises the net receivable from Thailand Clearing House (TCH) for settlement of equity securities trading made through the Stock Exchange of Thailand, net receivables for TCH from derivatives trades, included cash collateral pledged with TCH for derivatives trades, and net receivable from foreign securities trade settlement with the overseas brokers.

#### **4.6 Securities and derivatives business receivables and allowance for doubtful accounts**

Securities and derivatives business receivables are the net balances of securities business receivables and derivatives business receivables after deducting allowance for doubtful accounts.

In addition, securities business receivables include the net receivable balance of cash accounts, credit balance accounts, securities borrowings receivable, collateral receivables (which comprise cash placed as security with securities lenders) and other receivables such as overdue cash accounts and securities receivables which are the subject of legal proceedings, are undergoing restructuring or are being settled in installments.

The subsidiary has provided an allowance for doubtful debts based on a review of debtor's repayment capability, taking into consideration in recovery risk and value of collateral. An allowance will be set aside for doubtful debts that are not fully covered by collateral and/or debtors that cannot be recovered in full amount. Such debt classifications and provisions are in accordance with the following criteria:

a) Debt classified as bad debt is defined as follows:

- (1) Debts which the subsidiary has made effort to follow up, but could not collect the repayment. The subsidiary has written them off in accordance with tax law.
- (2) Debts which the subsidiary has forgiven them.

b) Doubtful debt is defined as the uncollateralised portion of the debt which meets the following criteria:

- (1) Debtors in general, problem financial institution loans, and other debtors which the collateral value is less than the debts.
- (2) Installment loans with repayments scheduled no more than 3 months for each installment, which the principal or interest is overdue more than 3 months.
- (3) Installment loans with repayments scheduled no less than 3 months for each installment, unless there is a clear evidence and high degree of certainty that the full payment is recovered.

c) Substandard debt is defined as the collateralised portion of loans which meet the criteria in b).

Loans classified as bad debt will be written off when identified. Full provision of the loan balance will be set aside for loans classified as doubtful. These conditions are complied with the guidelines stipulated by the Office of the Securities and Exchange Commission.

#### 4.7 Factoring receivables and allowance for doubtful accounts

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

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:

| Net 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 subsidiary considers to set up additional allowance for doubtful accounts for each debtor based on collection experience and analysis of debt aging.

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

Bad debts are written-off as incurred.

#### **4.8 Loans receivable**

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

#### **4.9 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 subsidiary reviews such revaluation allowance based on the net present value of future cash flows over the remaining period to maturity, recognising adjustments to the allowance against impairment of loan receivable.

#### **4.10 Equipment and depreciation**

Equipment are 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:

|                        |                   |
|------------------------|-------------------|
| Building improvement   | 10 years          |
| Office equipment       | 3 and 5 years     |
| Furniture and fixtures | 3, 5 and 10 years |
| Motor vehicles         | 4 and 5 years     |

Depreciation is included in determining income.

No depreciation is provided on work under installation.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit and loss when the asset is derecognised.

#### **4.11 Intangible assets and amortisation**

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

|                   |                   |
|-------------------|-------------------|
| Computer software | 3, 5 and 10 years |
|-------------------|-------------------|

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

#### **4.12 Business combination**

The cost of an acquisition is measured at fair value which is the amount of cash or cash equivalents, or the fair market value of any other consideration given as determined at the date of acquisition.

The Company accounted for acquisition-related costs such as professional fee and other consulting fees, as expenses in the period in which the costs are incurred and the services are received.

At the acquisition date, the Company measures components of non-controlling interests in the recognises at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

#### **4.13 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-

generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.14 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 or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.15 Long-term leases**

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the income statements over the lease period. The equipment acquired under finance leases is depreciated over the useful life of the asset or the lease period.

Leases of land, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

#### **4.16 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements of each entity are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### 4.17 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

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

###### ***Defined benefit plans***

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary and the management of subsidiaries 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 and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

#### **4.19 Payables to Clearing House**

Payables to Clearing House comprises the net payable to Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand, net payable for derivatives trades, and net payable to foreign securities trade settlement with overseas brokers.

#### **4.20 Securities and derivatives business payables**

Securities and derivatives business payables are the obligations of the subsidiary in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the subsidiary as collateral for securities lending.

#### **4.21 Provisions**

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

#### **4.22 Share-Based Payment**

The Company and its subsidiaries recognised 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 reserve for share-based payment transactions” 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.

#### **4.23 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 and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 and its subsidiaries review and reduce 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 and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.24 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at

fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgements and estimates

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

### **Allowance for doubtful accounts of securities and derivatives business receivables**

Allowance for doubtful accounts of securities and derivatives business receivables are intended to adjust the values of receivables for probable credit losses. In determining an allowance for doubtful accounts of securities and derivatives business receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, the value of the securities collateral, aging profile of outstanding debts and the prevailing economic condition.

### **Allowance for doubtful accounts**

In determining an allowance for doubtful accounts of factoring receivables, loans receivable and other receivables, 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.

### **Goodwill and intangible assets**

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Impairment of investments**

The Company and its subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

### **Recognition and derecognition of assets and liabilities**

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

### **Equipment/Depreciation**

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of the Company and its subsidiaries' equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### 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.

### Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### 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.

### Litigation

The subsidiary has contingent liabilities as a result of litigation. The subsidiary's management has used judgement to assess of the result of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

## 6. Related party transactions

The relationships between the Company and its related parties that have significant business transactions during the years 2016 and 2015 are summarised below.

| Name of related parties                           | Relationship |
|---------------------------------------------------|--------------|
| AIRA Securities Plc.                              | Subsidiary   |
| AIRA Factoring Plc.                               | Subsidiary   |
| AIRA International Advisory (Singapore) Pte. Ltd. | Subsidiary   |
| AIRA Property Plc.                                | Subsidiary   |
| AIRA Leasing Plc.                                 | Subsidiary   |

| Name of related parties                       | Relationship                               |
|-----------------------------------------------|--------------------------------------------|
| AIRA Venture Capital Co., Ltd.                | Subsidiary                                 |
| AIRA Advisory Co., Ltd.                       | Subsidiary (held by a subsidiary)          |
| Aspiration One Co., Ltd.                      | Subsidiary (held by a subsidiary)          |
| AIRA & AIFUL Plc.                             | Associate                                  |
| TRAVELEX (Thailand) Limited                   | Associate                                  |
| Alliance Co., Ltd.                            | Common directors with AIRA Securities Plc. |
| Summit Windmill Golf Club Co., Ltd.           | Common major shareholder                   |
| Private funds managed by AIRA Securities Plc. | Managed by AIRA Securities Plc.            |
| Industrial Cleaning Service Plc.              | Common major shareholder                   |

During the years, the Company and its subsidiaries 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: Thousand Baht)

|                                                                                | Consolidated financial statements |           | Separate financial statements |         |                                            |
|--------------------------------------------------------------------------------|-----------------------------------|-----------|-------------------------------|---------|--------------------------------------------|
|                                                                                | 2016                              | 2015      | 2016                          | 2015    | Transfer Pricing Policy                    |
| <b>Transactions with subsidiaries</b>                                          |                                   |           |                               |         |                                            |
| (Eliminated from the consolidated financial statements)                        |                                   |           |                               |         |                                            |
| Dividend income                                                                | -                                 | -         | 104,672                       | 80,904  | Normal rate declared to ordinary investors |
| Interest income                                                                | -                                 | -         | 4,138                         | 4,210   | Market rate                                |
| Purchase of debt securities                                                    | -                                 | -         | 1,097,447                     | 941,854 | Market rate                                |
| Other expenses                                                                 | -                                 | -         | 77                            | 93      | Agreed upon basis                          |
| Interest expenses                                                              | -                                 | -         | 73                            | -       | Market rate                                |
| <b>Transactions with related parties</b>                                       |                                   |           |                               |         |                                            |
| Brokerage fees income                                                          | 261                               | 118       | -                             | -       | Normal rate charged to ordinary customers  |
| Fees and services income                                                       | 3,418                             | 2,869     | -                             | -       | Price stated in contract                   |
| Rental and service income                                                      | 543                               | -         | -                             | -       | Price stated in contract                   |
| Other income                                                                   | 13,380                            | -         | -                             | -       | Agreed upon basis                          |
| Interest expenses                                                              | 1,884                             | -         | -                             | -       | Market rate                                |
| Premises expenses                                                              | 5,465                             | 5,053     | -                             | -       | Price stated in contract                   |
| Other expenses                                                                 | 1,733                             | -         | -                             | -       | Agreed upon basis                          |
| Purchase of machine and equipment                                              | 20,726                            | -         | -                             | -       | Agreed upon basis                          |
| <b>Transactions with the directors and shareholders of the Company's group</b> |                                   |           |                               |         |                                            |
| Sales of debt securities                                                       | 1,801,116                         | 3,055,426 | -                             | -       | Market rate                                |
| Gain on investments                                                            | 35                                | 239       | -                             | -       | Market rate                                |
| Brokerage fees income                                                          | 36,831                            | 36,192    | -                             | -       | Normal rate charged to ordinary customers  |
| Interest expenses                                                              | 17,080                            | 27,131    | -                             | 3,059   | Market rate                                |
| Premises expenses                                                              | 540                               | 473       | -                             | -       | Price stated in contract                   |

The balances of accounts as at 31 December 2016 and 2015 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

|                                                         | Consolidated financial statements |         | Separate financial statements |         |
|---------------------------------------------------------|-----------------------------------|---------|-------------------------------|---------|
|                                                         | 2016                              | 2015    | 2016                          | 2015    |
| <b>Subsidiaries</b>                                     |                                   |         |                               |         |
| (Eliminated from the consolidated financial statements) |                                   |         |                               |         |
| Short-term loans                                        | -                                 | -       | 61,316                        | 287,560 |
| Dividend receivable                                     | -                                 | -       | 14,882                        | -       |
| Interest receivables                                    | -                                 | -       | 364                           | 542     |
| Other receivables                                       | -                                 | -       | 123                           | -       |
| Other payables                                          | -                                 | -       | 7                             | 3       |
| <b>Related parties</b>                                  |                                   |         |                               |         |
| Factoring receivables                                   | 11,366                            | -       | -                             | -       |
| Other receivables                                       | 10,403                            | -       | -                             | -       |
| Rental deposits                                         | 1,348                             | 1,348   | -                             | -       |
| Other payables                                          | 948                               | -       | -                             | -       |
| Subordinated debentures                                 | 50,000                            | -       | -                             | -       |
| Accrued interest                                        | 630                               | -       | -                             | -       |
| <b>Directors and shareholders of the</b>                |                                   |         |                               |         |
| <b>Company's group</b>                                  |                                   |         |                               |         |
| Securities business receivables                         | 51,384                            | 44,280  | -                             | -       |
| Cash collateral                                         | 113,712                           | 112,311 | -                             | -       |
| Rental deposits                                         | 135                               | 135     | -                             | -       |
| Securities business payables                            | 97,459                            | 17,547  | -                             | -       |
| Subordinated debentures                                 | 60,000                            | 180,000 | -                             | -       |
| Bills of exchange                                       | 439,575                           | 637,238 | -                             | -       |
| Accrued interest                                        | 756                               | 2,268   | -                             | -       |

### Loans to related parties

As at 31 December 2016 and 2015, the balance of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

|                             |            | Separate financial statements |           |             |             |               |
|-----------------------------|------------|-------------------------------|-----------|-------------|-------------|---------------|
| Short-term loans            | Related by | Balance as at                 |           |             |             | Balance as at |
|                             |            | 31 December                   |           |             |             | 31 December   |
|                             |            | 2015                          | Increase  | Decrease    | Translation | 2016          |
| AIRA Securities Public      |            |                               |           |             |             |               |
| Company Limited             | Subsidiary | 249,687                       | 1,100,313 | (1,350,000) | -           | -             |
| AIRA International Advisory |            |                               |           |             |             |               |
| (Singapore) Pte. Ltd.       | Subsidiary | 37,873                        | 115,106   | (89,416)    | (2,247)     | 61,316        |
|                             |            | 287,560                       | 1,215,419 | (1,439,416) | (2,247)     | 61,316        |

As at 31 December 2015, short-term loans to related party of Baht 250 million are in the form of an unsecured loan, carrying interest at rate of 2.2% to 2.5% per annum and mature during 8 January 2016 to 8 February 2016.

As at 31 December 2015, short-term loans to related party of Baht 38 million or SGD 1.5 million are in the form of an unsecured loan, carrying interest at rate of 4% per annum and mature during 10 February 2016 to 16 June 2016.

As at 31 December 2016, short-term loans to related party of Baht 61 million or SGD 2.5 million are in the form of an unsecured loan, carrying interest at rate of 2.5% per annum and mature during 8 February 2017 to 14 June 2017.

### Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

|                              | Consolidated         |         | Separate             |        |
|------------------------------|----------------------|---------|----------------------|--------|
|                              | financial statements |         | financial statements |        |
|                              | 2016                 | 2015    | 2016                 | 2015   |
| Short-term benefits          | 116,895              | 103,243 | 27,348               | 23,961 |
| Post-employment benefits     | 2,725                | 2,899   | -                    | 572    |
| Share-based payment benefits | 857                  | 556     | 289                  | 229    |
| Total                        | 120,477              | 106,698 | 27,637               | 24,762 |

## 7. Cash and cash equivalents

|                                                                                                            | Consolidated financial statements |             | Separate financial statements |         |
|------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------|-------------------------------|---------|
|                                                                                                            | 2016                              | 2015        | 2016                          | 2015    |
|                                                                                                            |                                   |             |                               |         |
| Cash, deposits at financial institutions, notes receivables and bonds with maturity less than three months | 2,686,312                         | 2,370,857   | 373,428                       | 270,367 |
| Less: Deposits, notes receivables and bonds of customers' account of subsidiary                            | (1,747,354)                       | (1,436,817) | -                             | -       |
| Total cash and cash equivalents                                                                            | 938,958                           | 934,040     | 373,428                       | 270,367 |

## 8. Investments

### 8.1 Cost and fair value

(Unit: Thousand Baht)

|                                                                   | Consolidated financial statements |            |          |            |
|-------------------------------------------------------------------|-----------------------------------|------------|----------|------------|
|                                                                   | 2016                              |            | 2015     |            |
|                                                                   | Cost                              | Fair value | Cost     | Fair value |
| <b>Short-term investments</b>                                     |                                   |            |          |            |
| <b>Trading securities</b>                                         |                                   |            |          |            |
| Listed securities                                                 | 264,159                           | 266,660    | 43,865   | 43,594     |
| Add (less): Changes in fair value of securities                   | 2,501                             | -          | (271)    | -          |
| Total trading securities - net                                    | 266,660                           | 266,660    | 43,594   | 43,594     |
| <b>Available-for-sale securities</b>                              |                                   |            |          |            |
| Listed securities                                                 | 173,809                           | 105,213    | 173,809  | 120,528    |
| Less: Changes in fair value of securities                         | (68,596)                          | -          | (53,281) | -          |
| Total available-for-sale securities - net                         | 105,213                           | 105,213    | 120,528  | 120,528    |
| Fixed deposit with maturity over 3 months<br>but less than 1 year | 5,068                             |            | 400,600  |            |
| <b>Other investments</b>                                          |                                   |            |          |            |
| Equity securities                                                 | 25,000                            |            | -        |            |
| Total other investment                                            | 25,000                            |            | -        |            |
| Total short-term investments                                      | 401,941                           |            | 564,722  |            |

(Unit: Thousand Baht)

|                                                                   | Separate financial statements |         |
|-------------------------------------------------------------------|-------------------------------|---------|
|                                                                   | 2016                          | 2015    |
| Fixed deposit with maturity over 3 months but<br>less than 1 year | 5,068                         | 400,600 |
| Other investments                                                 | 25,000                        | -       |
| Total short-term investment                                       | 30,068                        | 400,600 |

On 4 April 2016, a meeting of the Board of Investment Directors of the Company passed the resolution to approve investment of Baht 25 million in Industrial Cleaning Services Public Company Limited, which provides industrial waste management services, by purchasing of 1,000,000 shares from the existing shareholders. The Company had an 18.18% shareholding in this company. On 13 December 2016, a meeting of the Board of Directors of the Company approved to sell 1,000,000 ordinary shares, at a Baht 25 per share. On 29 December 2016, the Company entered into "Shares sale and purchase agreement" to sell such investments. The Company received cash on 6 January 2017. As at 31 December 2016, the Company classified this investment as current investments.

8.2 Unrealised loss on re-measuring available-for-sale investment recognised in shareholders' equity

(Unit: Thousand Baht)

|                                                | Consolidated financial statements |          |
|------------------------------------------------|-----------------------------------|----------|
|                                                | 2016                              | 2015     |
| Balance - beginning of the year                | (43,914)                          | (20,595) |
| Changes during the year<br>(net of income tax) |                                   |          |
| - revaluation                                  | (12,252)                          | (23,319) |
| Balance - end of the year                      | (56,166)                          | (43,914) |

9. Receivables from Clearing House

(Unit: Thousand Baht)

|                                                                               | Consolidated financial statements |           |
|-------------------------------------------------------------------------------|-----------------------------------|-----------|
|                                                                               | 2016                              | 2015      |
| Receivables from Clearing House                                               | 388,244                           | 104,319   |
| Receivables from overseas securities company                                  | 317,207                           | 165,411   |
| Less: Receivables from Clearing House for<br>customers' account of subsidiary | (183,912)                         | (177,192) |
| Total receivables from Clearing House                                         | 521,539                           | 92,538    |

10. Securities and derivatives business receivables

(Unit: Thousand Baht)

|                                                       | Consolidated financial statements |           |
|-------------------------------------------------------|-----------------------------------|-----------|
|                                                       | 2016                              | 2015      |
| <b>Securities business receivables</b>                |                                   |           |
| Cash accounts                                         | 301,503                           | 213,517   |
| Credit balance accounts                               | 1,397,274                         | 951,194   |
| Total                                                 | 1,698,777                         | 1,164,711 |
| Add: Accrued interest receivables                     | 7,867                             | 5,209     |
| Total securities business receivables                 | 1,706,644                         | 1,169,920 |
| <b>Derivatives business receivables</b>               |                                   |           |
| Derivatives business receivables                      | -                                 | -         |
| Less: Allowance for doubtful accounts                 | -                                 | -         |
| Total derivatives business receivables                | -                                 | -         |
| Total securities and derivatives business receivables | 1,706,644                         | 1,169,920 |

10.1 The subsidiary has classified securities business receivables in accordance with the Notification of the Office of the Securities and Exchange Commission governing accounting for doubtful debts of securities companies. As at 31 December 2016 and 2015, securities business receivables are classified as follows:

(Unit: Million Baht)

| Consolidated financial statements |                                                          |                                                                           |                                 |                                                          |                                                                           |
|-----------------------------------|----------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------|----------------------------------------------------------|---------------------------------------------------------------------------|
| 2016                              |                                                          |                                                                           | 2015                            |                                                          |                                                                           |
| Securities business receivables   | Allowance for doubtful accounts set up by the subsidiary | Net securities business receivables after allowance for doubtful accounts | Securities business receivables | Allowance for doubtful accounts set up by the subsidiary | Net securities business receivables after allowance for doubtful accounts |
| Normal debts                      | 1,707                                                    | -                                                                         | 1,707                           | -                                                        | 1,707                                                                     |

10.2 Allowance for doubtful accounts for securities business receivables

(Unit: Thousand Baht)

| Consolidated financial statements                        |      |
|----------------------------------------------------------|------|
|                                                          |      |
|                                                          | 2016 |
| Balance at beginning of the year                         | -    |
| Reversal allowance for doubtful accounts during the year | -    |
| Balance at end of the year                               | -    |

## 11. Factoring receivables

(Unit: Thousand Baht)

| Consolidated financial statements      |           |
|----------------------------------------|-----------|
|                                        |           |
|                                        | 2016      |
| Factoring receivables                  | 2,602,070 |
| Accrued interest income from factoring | 5,820     |
| Total                                  | 2,607,890 |
| Less: Factoring payables               | (433,118) |
| Unearned interest income               | (14,392)  |
| Total                                  | 2,160,380 |
| Less: Allowance for doubtful accounts  | (43,941)  |
| Factoring receivables - net            | 2,116,439 |

The balances of factoring receivables as at 31 December 2016 and 2015, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

| Age of factoring receivables                    | Consolidated financial statements |           |
|-------------------------------------------------|-----------------------------------|-----------|
|                                                 | 2016                              | 2015      |
| Factoring receivables - unrelated parties       |                                   |           |
| Not yet due                                     | 2,478,273                         | 2,667,214 |
| Past due                                        |                                   |           |
| Up to 3 months                                  | 31,347                            | 66,732    |
| 3 - 6 months                                    | 24,220                            | 792       |
| Over 6 months                                   | 54,022                            | 80,605    |
| Total factoring receivables - unrelated parties | 2,587,862                         | 2,815,343 |
| Factoring receivables - unrelated parties       |                                   |           |
| Not yet due                                     | 14,208                            | -         |
| Total factoring receivables - unrelated parties | 14,208                            | -         |
| Total factoring receivables                     | 2,602,070                         | 2,815,343 |

As at 31 December 2016, factoring receivables which were overdue for over 6 months presented amounting to Baht 54 million (2015: Baht 81 million) before setting off the amount repayable to the transferor upon settlement of the factored debts amounting to Baht 18 million (2015: Baht 23 million). The subsidiary has provided a full amount of allowance for doubtful accounts for such net receivables.

## 12. Finance lease receivables

12.1 As at 31 December 2016 and 2015, the balances of finance lease receivables are as follows:

(Unit: Thousand Baht)

|                                              | Consolidated financial statements            |      |                                                    |      |         |      |
|----------------------------------------------|----------------------------------------------|------|----------------------------------------------------|------|---------|------|
|                                              | Current portion of finance lease receivables |      | Finance lease receivables - net of current portion |      | Total   |      |
|                                              | 2016                                         | 2015 | 2016                                               | 2015 | 2016    | 2015 |
| Finance lease receivables                    | 14,806                                       | -    | 54,672                                             | -    | 69,478  | -    |
| Less: Unearned finance lease interest income | (3,029)                                      | -    | (5,386)                                            | -    | (8,415) | -    |
| Total                                        | 11,777                                       | -    | 49,286                                             | -    | 61,063  | -    |
| Less: Allowance for doubtful accounts        | (24)                                         | -    | (103)                                              | -    | (127)   | -    |
| Finance lease receivables - net              | 11,753                                       | -    | 49,183                                             | -    | 60,936  | -    |

12.2 As at 31 December 2016 and 2015, the balances of finance lease receivables (net of unearned finance lease interest income) are classified by aging as follows:

(Unit: Thousand Baht)

|                                       | Consolidated financial statements |      |
|---------------------------------------|-----------------------------------|------|
|                                       | 2016                              | 2015 |
| <u>Age of receivables</u>             |                                   |      |
| Not yet due                           | 61,063                            | -    |
| Total                                 | 61,063                            | -    |
| Less: Allowance for doubtful accounts | (127)                             | -    |
| Finance lease receivables - net       | 60,936                            | -    |

12.3 As at 31 December 2016 and 2015, the future minimum lease payments receivable under finance lease contracts together with the present value of minimum lease payments receivables are as follows:

(Unit: Thousand Baht)

|                                              | Consolidated financial statements                 |                                                     |                                                   |                                                     |
|----------------------------------------------|---------------------------------------------------|-----------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|
|                                              | 2016                                              |                                                     | 2015                                              |                                                     |
|                                              | Minimum lease payments of finance lease contracts | Present value of minimum lease payments receivables | Minimum lease payments of finance lease contracts | Present value of minimum lease payments receivables |
| Within one year                              | 14,806                                            | 11,777                                              | -                                                 | -                                                   |
| After one year but not more than five years  | 54,672                                            | 49,286                                              | -                                                 | -                                                   |
| Total                                        | 69,478                                            | 61,063                                              | -                                                 | -                                                   |
| Less: Unearned finance lease interest income | (8,415)                                           |                                                     | -                                                 |                                                     |
| Net investment in finance lease contracts    | 61,063                                            |                                                     | -                                                 |                                                     |

### 13. Hire purchase receivables

13.1 As at 31 December 2016 and 2015, the balances of hire purchase receivables are as follows:

(Unit: Thousand Baht)

|                                              | Consolidated financial statements            |      |                                                    |      |       |      |
|----------------------------------------------|----------------------------------------------|------|----------------------------------------------------|------|-------|------|
|                                              | Current portion of hire purchase receivables |      | Hire purchase receivables - net of current portion |      | Total |      |
|                                              | 2016                                         | 2015 | 2016                                               | 2015 | 2016  | 2015 |
| Hire purchase receivables                    | 1,971                                        | -    | -                                                  | -    | 1,971 | -    |
| Less: Unearned hire purchase interest income | (93)                                         | -    | -                                                  | -    | (93)  | -    |
| Total                                        | 1,878                                        | -    | -                                                  | -    | 1,878 | -    |
| Less: Allowance for doubtful accounts        | -                                            | -    | -                                                  | -    | -     | -    |
| Hire purchase receivables - net              | 1,878                                        | -    | -                                                  | -    | 1,878 | -    |

13.2 As at 31 December 2016 and 2015, the balances of hire purchase receivables (net of unearned hire purchase interest income) are classified by aging as follows:

(Unit: Thousand Baht)

|                                       | Consolidated financial statements |      |
|---------------------------------------|-----------------------------------|------|
|                                       | 2016                              | 2015 |
| <u>Age of receivables</u>             |                                   |      |
| Not yet due                           | 1,878                             | -    |
| Total                                 | 1,878                             | -    |
| Less: Allowance for doubtful accounts | -                                 | -    |
| Hire purchase receivables - net       | 1,878                             | -    |

13.3 As at 31 December 2016 and 2015, the future minimum lease payments receivable under hire purchase contracts together with the present value of minimum lease payments receivables are as follows:

(Unit: Thousand Baht)

|                                              | Consolidated financial statements                 |                                                     |                                                   |                                                     |
|----------------------------------------------|---------------------------------------------------|-----------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|
|                                              | 2016                                              |                                                     | 2015                                              |                                                     |
|                                              | Minimum lease payments of hire purchase contracts | Present value of minimum lease payments receivables | Minimum lease payments of hire purchase contracts | Present value of minimum lease payments receivables |
| Within one year                              | 1,971                                             | 1,878                                               | -                                                 | -                                                   |
| After one year but not more than five years  | -                                                 | -                                                   | -                                                 | -                                                   |
| Total                                        | 1,971                                             | 1,878                                               | -                                                 | -                                                   |
| Less: Unearned hire purchase interest income | (93)                                              |                                                     | -                                                 |                                                     |
| Net investment in hire purchase contracts    | 1,878                                             |                                                     | -                                                 |                                                     |

#### 14. Loans receivable

(Unit: Thousand Baht)

|                                       | Consolidated financial statements   |         |                                           |          |          |          |
|---------------------------------------|-------------------------------------|---------|-------------------------------------------|----------|----------|----------|
|                                       | Current portion of loans receivable |         | Loans receivable - net of current portion |          | Total    |          |
|                                       | 2016                                | 2015    | 2016                                      | 2015     | 2016     | 2015     |
| Loans receivable                      | 13,403                              | 12,369  | 77,877                                    | 53,672   | 91,280   | 66,041   |
| Less: Allowance for doubtful accounts | (7,371)                             | (6,948) | (53,249)                                  | (53,672) | (60,620) | (60,620) |
| Loans receivable - net                | 6,032                               | 5,421   | 24,628                                    | -        | 30,660   | 5,421    |

The subsidiary 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 2015, the subsidiary received interest payments totaling Baht 0.11 million (2016: Nil). As at 31 December 2016, the loan receivable balance amounted to Baht 61 million (2015: Baht 61 million). However, the Company had fully set up allowance for doubtful accounts for such loans receivable.

And on 27 May 2016, the subsidiary has restructured factoring receivables by means of modification of terms. The balance before restructuring amounted to Baht 30 million and the repayment period was about 5 years. However, this restructuring by modification of terms does not result in any loss. During the year ended 31 December 2016, the subsidiary received principal and interest payments totaling Baht 2.40 million and Baht 0.71 million, respectively. As at 31 December 2016, the loan receivable balance amounted to Baht 26 million.

## 15. Other receivables

|                      | (Unit: Thousand Baht) |               |                      |            |
|----------------------|-----------------------|---------------|----------------------|------------|
|                      | Consolidated          |               | Separate             |            |
|                      | financial statements  |               | financial statements |            |
|                      | 2016                  | 2015          | 2016                 | 2015       |
| Dividend receivables | -                     | -             | 14,882               | -          |
| Accrued fee income   | 10,095                | 11,500        | -                    | -          |
| Employee receivables | 10,309                | 9,837         | -                    | -          |
| Others               | 13,551                | 1,596         | 514                  | 696        |
| <b>Total</b>         | <b>33,955</b>         | <b>22,933</b> | <b>15,396</b>        | <b>696</b> |

## 16. Investments in associates

| (Unit: Thousand Baht)               |                                           |                          |                                   |      |                |                |                                             |                |
|-------------------------------------|-------------------------------------------|--------------------------|-----------------------------------|------|----------------|----------------|---------------------------------------------|----------------|
| Company's name                      | Nature of business                        | Country of incorporation | Consolidated financial statements |      |                |                |                                             |                |
|                                     |                                           |                          | Shareholding percentage           |      | Cost           |                | Carrying amounts based on the equity method |                |
|                                     |                                           |                          | 2016                              | 2015 | 2016           | 2015           | 2016                                        | 2015           |
|                                     |                                           |                          | (%)                               | (%)  |                |                |                                             |                |
| AIRA & AIFUL Public Company Limited | Consumer finance                          | Thai                     | 30                                | 30   | 750,000        | 300,000        | 590,424                                     | 266,691        |
| TRAVELEX (Thailand) Limited         | The business of foreign currency exchange | Thai                     | 38                                | -    | 41,800         | -              | 41,238                                      | -              |
| <b>Total</b>                        |                                           |                          |                                   |      | <b>791,800</b> | <b>300,000</b> | <b>631,662</b>                              | <b>266,691</b> |

| (Unit: Thousand Baht)               |                                           |                          |                               |      |                |                |                                         |          |                                                 |                |
|-------------------------------------|-------------------------------------------|--------------------------|-------------------------------|------|----------------|----------------|-----------------------------------------|----------|-------------------------------------------------|----------------|
| Company's name                      | Nature of business                        | Country of incorporation | Separate financial statements |      |                |                |                                         |          |                                                 |                |
|                                     |                                           |                          | Shareholding percentage       |      | Cost           |                | Allowance for impairment of investments |          | Carrying amounts based on the cost method - net |                |
|                                     |                                           |                          | 2016                          | 2015 | 2016           | 2015           | 2016                                    | 2015     | 2016                                            | 2015           |
|                                     |                                           |                          | (%)                           | (%)  |                |                |                                         |          |                                                 |                |
| AIRA & AIFUL Public Company Limited | Consumer finance                          | Thai                     | 30                            | 30   | 750,000        | 300,000        | -                                       | -        | 750,000                                         | 300,000        |
| TRAVELEX (Thailand) Limited         | The business of foreign currency exchange | Thai                     | 38                            | -    | 41,800         | -              | -                                       | -        | 41,800                                          | -              |
| <b>Total</b>                        |                                           |                          |                               |      | <b>791,800</b> | <b>300,000</b> | <b>-</b>                                | <b>-</b> | <b>791,800</b>                                  | <b>300,000</b> |

The Company has its share of loss from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follow:

| Company's name                      | (Unit: Thousand Baht)                |                               |                                                            |      |
|-------------------------------------|--------------------------------------|-------------------------------|------------------------------------------------------------|------|
|                                     | Consolidated<br>financial statements |                               | Separate<br>financial statements                           |      |
|                                     | Share of loss from                   |                               | Share of other<br>comprehensive<br>income from investments |      |
|                                     | investments in associates            | in associates during the year | Dividend received                                          |      |
|                                     | 2016                                 | 2015                          | 2016                                                       | 2015 |
| AIRA & AIFUL Public Company Limited | (126,156)                            | (33,439)                      | (111)                                                      | -    |
| TRAVELEX (Thailand) Limited         | (562)                                | -                             | -                                                          | -    |
| Total                               | (126,718)                            | (33,439)                      | (111)                                                      | -    |

### AIRA & AIFUL Public Company Limited

On 4 April 2016, a meeting of the Board of Directors of the Company passed a resolution to approve investment of Baht 450 million in the additional ordinary shares of AIRA & AIFUL Public Company Limited (an associate), consisting of 450 million ordinary shares of Baht 1 each, leaving its percentage shareholding in the subsidiary unchanged. The Company made payment for the shares on 28 June 2016.

### TRAVELEX (Thailand) Limited

On 13 September 2016, the Company's board of directors has a resolution to approve the signing of the Shareholders' agreement with Travelex Limited, which is the company registered under a law of England and establishment of TRAVELEX (Thailand) Limited to operate the business of foreign currency exchange and sells souvenirs to tourists. This company has the registered capital of Baht 110 million, consisting of 11 million ordinary shares with a par value of Baht 10 each. The Company has a 38 percent shareholding in this company or a total of Baht 41.8 million. The Company made payment for the shares already.

### Summarised financial information about material associates

Summarised information about financial position

|                                                                    | (Unit: Million Baht)                   |                                |
|--------------------------------------------------------------------|----------------------------------------|--------------------------------|
|                                                                    | AIRA & AIFUL Public Company<br>Limited | TRAVELEX<br>(Thailand) Limited |
|                                                                    | 2016                                   | 2015                           |
| Current assets                                                     | 1,943                                  | 876                            |
| Non-current assets                                                 | 167                                    | 83                             |
| Current liabilities                                                | (141)                                  | (69)                           |
| Non-current liabilities                                            | (1)                                    | (1)                            |
| <b>Net assets</b>                                                  | <b>1,968</b>                           | <b>889</b>                     |
| Shareholding percentage (%)                                        | 30%                                    | 30%                            |
| <b>Share of net assets</b>                                         | <b>590</b>                             | <b>267</b>                     |
| Elimination entries                                                | -                                      | -                              |
| Goodwill                                                           | -                                      | -                              |
| <b>Carrying amount of associate<br/>based on the equity method</b> | <b>590</b>                             | <b>267</b>                     |

## Summarised information about comprehensive income

(Unit: Million Baht)

|                            | For the years ended 31 December |         |                    |
|----------------------------|---------------------------------|---------|--------------------|
|                            | AIRA & AIFUL                    |         | TRAVELEX           |
|                            | Public Company Limited          |         | (Thailand) Limited |
|                            | 2016                            | 2015    | 2016               |
| Revenue                    | 230.7                           | 26.5    | -                  |
| Loss                       | (420.5)                         | (111.5) | (1.7)              |
| Other comprehensive income | (0.4)                           | -       | -                  |
| Total comprehensive income | (420.9)                         | (111.5) | (1.7)              |

## 17. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Million Baht)

| Company's name                                    | Paid-up       |       | Shareholding |       | Cost  |       | Dividend received           |      |
|---------------------------------------------------|---------------|-------|--------------|-------|-------|-------|-----------------------------|------|
|                                                   | share capital |       | percentage   |       |       |       | by the Company for the year |      |
|                                                   | 2016          | 2015  | 2016         | 2015  | 2016  | 2015  | 2016                        | 2015 |
|                                                   |               |       | (%)          | (%)   |       |       |                             |      |
| AIRA Securities Plc.                              | 1,100         | 1,100 | 99.99        | 99.99 | 1,133 | 1,131 | 44                          | 66   |
| AIRA Factoring Plc.                               | 400           | 400   | 71.55        | 71.55 | 584   | 584   | 61                          | 15   |
| AIRA International Advisory (Singapore) Pte. Ltd. | 12            | 12    | 90.00        | 90.00 | 11    | 11    | -                           | -    |
| AIRA Property Plc.                                | 500           | 200   | 60.00        | 99.99 | 300   | 200   | -                           | -    |
| AIRA Leasing Plc.                                 | 204           | -     | 80.00        | -     | 182   | -     | -                           | -    |
| AIRA Venture Capital Co., Ltd.                    | 5             | -     | 99.99        | -     | 5     | -     | -                           | -    |
| Total                                             |               |       |              |       | 2,215 | 1,926 | 105                         | 81   |

## Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

| Company's name            | Proportion of equity |       | Accumulated balance of    |      | Profit/loss allocated to  |       | Dividend paid to non- |      |
|---------------------------|----------------------|-------|---------------------------|------|---------------------------|-------|-----------------------|------|
|                           | interest held by     |       | non-controlling interests |      | non-controlling interests |       | controlling interests |      |
|                           | 2016                 | 2015  | 2016                      | 2015 | 2016                      | 2015  | 2016                  | 2015 |
|                           | (%)                  | (%)   |                           |      |                           |       |                       |      |
| AIRA Factoring Plc.       | 28.45                | 28.45 | 153                       | 162  | 14                        | 0.5   | 24                    | 5    |
| AIRA Property Plc.        | 40.00                | -     | 200                       | -    | (0.1)                     | -     | -                     | -    |
| Aspiration One Co., Ltd.* | 64.00                | 40.00 | 157                       | 100  | (2.5)                     | (0.2) | -                     | -    |

\* Held by subsidiary

Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

#### Summarised information about financial position

(Unit: Million Baht)

|                         | AIRA Factoring Plc. |       | AIRA Property Plc. |      | Aspiration One Co., Ltd. |      |
|-------------------------|---------------------|-------|--------------------|------|--------------------------|------|
|                         | 2016                | 2015  | 2016               | 2015 | 2016                     | 2015 |
| Current assets          | 2,189               | 2,361 | 348                | 49   | 10                       | 250  |
| Non-current assets      | 56                  | 26    | 152                | 151  | 236                      | -    |
| Current liabilities     | 1,691               | 1,801 | 0.2                | 0.1  | 1                        | 0.1  |
| Non-current liabilities | 14                  | 14    | -                  | -    | 0.05                     | -    |

#### Summarised information about comprehensive income

(Unit: Million Baht)

For the years ended 31 December

|                            | AIRA Factoring Plc. |      | AIRA Property Plc. |       | Aspiration One Co., Ltd. |      |
|----------------------------|---------------------|------|--------------------|-------|--------------------------|------|
|                            | 2016                | 2015 | 2016               | 2015  | 2016                     | 2015 |
| Revenue                    | 190                 | 191  | 1                  | 0.3   | 1                        | 0.2  |
| Profit (loss)              | 51                  | 0.1  | (0.3)              | (0.3) | (5)                      | (1)  |
| Other comprehensive income | 2                   | -    | -                  | -     | -                        | -    |
| Total comprehensive income | 53                  | 0.1  | (0.3)              | (0.3) | (5)                      | (1)  |

#### Summarised information about cash flow

(Unit: Million Baht)

For the years ended 31 December

|                                                      | AIRA Factoring Plc. |       | AIRA Property Plc. |       | Aspiration One Co., Ltd. |       |
|------------------------------------------------------|---------------------|-------|--------------------|-------|--------------------------|-------|
|                                                      | 2016                | 2015  | 2016               | 2015  | 2016                     | 2015  |
| Cash flow from (used in) operating activities        | 351                 | 230   | (1)                | (0.2) | (6)                      | (0.5) |
| Cash flow used in investing activities               | (8)                 | (2)   | (1)                | (151) | (234)                    | -     |
| Cash flow from (used in) financing activities        | (285)               | (269) | 300                | 200   | -                        | 251   |
| Net increase (decrease) in cash and cash equivalents | 58                  | (41)  | 298                | 49    | (240)                    | 250   |

#### Goodwill

As at 31 December 2016, the Company's goodwill are comprised of goodwill acquired in a business combination from factoring business of Baht 134 million and leasing business of Baht 3 million (2015: Baht 134 million from acquiring of factoring business).

#### Share-based payment transactions

During the years, the Company recognises share-based payment transactions when services from its subsidiaries' employees are rendered. The Company recorded investment in subsidiaries amounting to Baht 1.2 million (2015: Baht 0.9 million).

### 17.1 AIRA Property Public Company Limited

On 25 February 2016, a meeting of the Board of Directors of the company passed the following resolutions:

1. To approve the conversion of AIRA Property Company Limited (a subsidiary) to a public company limited.
2. To approve an increase in the capital of AIRA Property Company Limited (a subsidiary) of Baht 300 million through the issuance of 30 million new ordinary shares with a par value of Baht 10, to be offered to the existing shareholders.

On 22 April 2016, AIRA Property Company Limited registered as a Public Company Limited with the Ministry of Commerce and changed its name from “AIRA Property Company Limited” to “AIRA Property Public Company Limited”.

On 13 September 2016, a meeting of the Board of Directors of the Company passed a resolution to approve investment of Baht 299,999,970 in the additional ordinary shares of AIRA Property Public Company Limited (a subsidiary), leaving its percentage shareholding in the subsidiary unchanged. The Company made payment for the shares on 13 October 2016.

On 5 October 2016, the Company entered into an agreement to sell 10 million of the shares which it held in AIRA Property Public Company Limited to Kenedix Asia Pte. Ltd., representing 20 percent of the registered capital of AIRA Property Public Company Limited, at a price of Baht 11.8 per share, or a total of Baht 118 million. The Company has gain on such sale of the shares amounting to Baht 18 million which was presented as a part of “Gain on investments” in profit or loss in the separate statement of comprehensive income. Following the transaction, the Company’s shareholding in AIRA Property Public Company Limited is 80 percent.

On 12 October 2016, the Company entered into an agreement to sell 10 million of the shares which it held in AIRA Property Public Company Limited to Eugene Investment & Securities Co., Ltd., representing 20 percent of the registered capital of AIRA Property Public Company Limited, at a price of Baht 11.8 per share, or a total of Baht 118 million. The Company has gain on such sale of the shares amounting to Baht 18 million which was presented as a part of “Gain on investments” in profit or loss in the separate statement of comprehensive income. Following the transaction, the Company’s shareholding in AIRA Property Public Company Limited is 60 percent.

## 17.2 AIRA Leasing Public Company Limited

In May 2016, a meeting of the Board of Directors of the Company acquired on investment of Baht 22 million in Rent-A-V Company Limited, which provides operating leases for industrial equipment and machines, by purchasing of 120,000 shares from the existing shareholders. The Company has an 80% shareholding in this company. The Company made payment for the shares in June 2016.

These consolidated financial statements include the statement of financial position of that company as at 31 December 2016 and the statement of comprehensive income for the period from the investment date to 31 December 2016. The Company recorded the net assets of such companies at their fair value as of the acquisition date.

Details of the book value and fair value of the identifiable assets and liabilities of that company as of the acquisition date are as follows.

(Unit: Thousand Baht)

|                                                 | Fair value | Book value |
|-------------------------------------------------|------------|------------|
| <b>Assets</b>                                   |            |            |
| Cash and cash equivalents                       | 508        | 508        |
| Trade and other receivables                     | 7,264      | 7,264      |
| Property, plant and equipment - net             | 94,532     | 61,430     |
| Other assets                                    | 4,886      | 4,886      |
| Total assets                                    | 107,190    | 74,088     |
| <b>Liabilities</b>                              |            |            |
| Trade and other payables                        | 26,464     | 26,464     |
| Liabilities under finance lease agreements      | 49,115     | 49,115     |
| Other liabilities                               | 7,262      | 642        |
| Total liabilities                               | 82,841     | 76,221     |
| Net assets                                      | 24,349     | (2,133)    |
| The Company's investment portion (%)            | 80         |            |
| Net assets attributable to Company's investment | 19,479     |            |
| Cash paid over net assets                       | 2,841      |            |
| Purchase price                                  | 22,320     |            |
| Less: Cash and cash equivalents of subsidiary   | (508)      |            |
| Net cash paid for purchase of subsidiary        | 21,812     |            |

Details of acquisition of such company are as follows.

(Unit: Thousand Baht)

**Purchase price**

|                                   |              |
|-----------------------------------|--------------|
| Cash paid                         | 22,320       |
| Fair value of net assets received | (19,479)     |
| Goodwill                          | <u>2,841</u> |

On 19 May 2016, the Extraordinary General Meeting of shareholders of Rent-A-V Company Limited (a subsidiary) passed the resolution to approve a decrease in the registered capital of the subsidiary from Baht 15,000,000 to Baht 3,750,000, through the decrease in par value of ordinary shares from Baht 100 per share to Baht 25 per share. Its percentage shareholding in the subsidiary was unchanged.

On 17 June 2016, the Extraordinary General Meeting of shareholders of Rent-A-V Company Limited (a subsidiary) passed the resolution to approve a change in the par value of a subsidiary's ordinary shares from Baht 25 to Baht 1 per share. Its percentage shareholding in the subsidiary was unchanged.

On 5 July 2016, Rent-A-V Company Limited (a subsidiary) registered as a Public Company Limited with the Ministry of Commerce and changed its name from "Rent-A-V Company Limited" to "AIRA Leasing Public Company Limited".

On 26 July 2016, a meeting of the Board of Directors of the Company passed a resolution to approve investment of Baht 160 million in the additional ordinary shares of AIRA Leasing Public Company Limited (a subsidiary), leaving its percentage shareholding in the subsidiary unchanged. The Company made payment for the shares on 3 August 2016.

## 18. Other long-term investments

(Unit: Thousand Baht)

|                                    | Consolidated financial statements |              | Separate financial statements |          |
|------------------------------------|-----------------------------------|--------------|-------------------------------|----------|
|                                    | 2016                              | 2015         | 2016                          | 2015     |
| <b>Other long-term investments</b> |                                   |              |                               |          |
| Equity securities                  | 3,000                             | 3,000        | -                             | -        |
| Total other long-term investments  | <u>3,000</u>                      | <u>3,000</u> | <u>-</u>                      | <u>-</u> |

## 19. Equipment

(Unit: Thousand Baht)

| Consolidated financial statements                           |                      |                           |                  |                        |                |                         |          |
|-------------------------------------------------------------|----------------------|---------------------------|------------------|------------------------|----------------|-------------------------|----------|
|                                                             | Building improvement | Machineries and equipment | Office equipment | Furniture and fixtures | Motor vehicles | Work under installation | Total    |
| <b>Cost</b>                                                 |                      |                           |                  |                        |                |                         |          |
| 1 January 2015                                              | 48,582               | -                         | 57,037           | 32,241                 | 48,560         | 981                     | 187,401  |
| Additions                                                   | 3,740                | -                         | 8,588            | 1,695                  | 10,659         | 3,851                   | 28,533   |
| Disposals                                                   | -                    | -                         | (3,427)          | (824)                  | (8,121)        | -                       | (12,372) |
| Transfer in (out)                                           | 2,437                | -                         | 670              | 202                    | -              | (3,309)                 | -        |
| 31 December 2015                                            | 54,759               | -                         | 62,868           | 33,314                 | 51,098         | 1,523                   | 203,562  |
| Increase from acquisition of subsidiary                     | -                    | 301,291                   | 412              | -                      | 7,162          | -                       | 308,865  |
| Additions                                                   | 5,002                | 37,164                    | 13,533           | 7,615                  | 7,009          | 9,035                   | 79,358   |
| Disposals/write-off                                         | -                    | (46,779)                  | (1,926)          | (1,723)                | (5,823)        | -                       | (56,251) |
| Transfers in (out)                                          | 3,987                | -                         | 4,669            | 291                    | -              | (7,599)                 | 1,348    |
| 31 December 2016                                            | 63,748               | 291,676                   | 79,556           | 39,497                 | 59,446         | 2,959                   | 536,882  |
| <b>Accumulated depreciation</b>                             |                      |                           |                  |                        |                |                         |          |
| 1 January 2015                                              | 8,851                | -                         | 41,375           | 14,358                 | 25,621         | -                       | 90,205   |
| Depreciation for the year                                   | 5,980                | -                         | 9,738            | 4,728                  | 8,784          | -                       | 29,230   |
| Depreciation on disposals                                   | -                    | -                         | (3,421)          | (801)                  | (7,958)        | -                       | (12,180) |
| 31 December 2015                                            | 14,831               | -                         | 47,692           | 18,285                 | 26,447         | -                       | 107,255  |
| Increase from acquisition of subsidiary                     | -                    | 209,261                   | 295              | -                      | 4,792          | -                       | 214,348  |
| Depreciation for the year                                   | 6,911                | 15,355                    | 10,117           | 5,074                  | 8,323          | -                       | 45,780   |
| Depreciation on disposals                                   | -                    | (46,779)                  | (1,554)          | (1,092)                | (4,938)        | -                       | (54,363) |
| 31 December 2016                                            | 21,742               | 177,837                   | 56,550           | 22,267                 | 34,624         | -                       | 313,020  |
| <b>Net book value</b>                                       |                      |                           |                  |                        |                |                         |          |
| 31 December 2015                                            | 39,928               | -                         | 15,176           | 15,029                 | 24,651         | 1,523                   | 96,307   |
| 31 December 2016                                            | 42,006               | 113,839                   | 23,006           | 17,230                 | 24,822         | 2,959                   | 223,862  |
| <b>Depreciation included in profit or loss for the year</b> |                      |                           |                  |                        |                |                         |          |
| 2015                                                        |                      |                           |                  |                        |                |                         | 29,230   |
| 2016                                                        |                      |                           |                  |                        |                |                         | 45,780   |

(Unit: Thousand Baht)

|                                                             | Separate financial statements |                        |                         | Total  |
|-------------------------------------------------------------|-------------------------------|------------------------|-------------------------|--------|
|                                                             | Office equipment              | Furniture and fixtures | Work under installation |        |
| <b>Cost</b>                                                 |                               |                        |                         |        |
| 1 January 2015                                              | 3,085                         | 6,820                  | -                       | 9,905  |
| Additions                                                   | 846                           | 265                    | 493                     | 1,604  |
| Transfer in (out)                                           | -                             | 202                    | (202)                   | -      |
| 31 December 2015                                            | 3,931                         | 7,287                  | 291                     | 11,509 |
| Additions                                                   | 1,112                         | 719                    | -                       | 1,831  |
| Transfer in (out)                                           | -                             | 291                    | (291)                   | -      |
| 31 December 2016                                            | 5,043                         | 8,297                  | -                       | 13,340 |
| <b>Accumulated depreciation</b>                             |                               |                        |                         |        |
| 1 January 2015                                              | 2,165                         | 2,211                  | -                       | 4,376  |
| Depreciation for the year                                   | 570                           | 1,364                  | -                       | 1,934  |
| 31 December 2015                                            | 2,735                         | 3,575                  | -                       | 6,310  |
| Depreciation for the year                                   | 585                           | 1,493                  | -                       | 2,078  |
| 31 December 2016                                            | 3,320                         | 5,068                  | -                       | 8,388  |
| <b>Net book value</b>                                       |                               |                        |                         |        |
| 31 December 2015                                            | 1,196                         | 3,712                  | 291                     | 5,199  |
| 31 December 2016                                            | 1,723                         | 3,229                  | -                       | 4,952  |
| <b>Depreciation included in profit or loss for the year</b> |                               |                        |                         |        |
| 2015                                                        |                               |                        |                         | 1,934  |
| 2016                                                        |                               |                        |                         | 2,078  |

As at 31 December 2016, certain equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 194 million (2015: Baht 46 million) (The Company only: Baht 3 million, 2015: Baht 2 million).

## 20. Intangible assets

(Unit: Thousand Baht)

|                                                             | Consolidated financial statements |                                 |                       |                 |                 |                             | Total   |
|-------------------------------------------------------------|-----------------------------------|---------------------------------|-----------------------|-----------------|-----------------|-----------------------------|---------|
|                                                             | Computer software                 | Securities business license fee | Securities member fee | TFEX member fee | Bond member fee | Software under installation |         |
| <b>Cost</b>                                                 |                                   |                                 |                       |                 |                 |                             |         |
| 1 January 2015                                              | 29,132                            | 129,500                         | 50,000                | 15,000          | 1,200           | -                           | 224,832 |
| Additions                                                   | 7,696                             | -                               | -                     | -               | -               | -                           | 7,696   |
| 31 December 2015                                            | 36,828                            | 129,500                         | 50,000                | 15,000          | 1,200           | -                           | 232,528 |
| Increase from acquisition of subsidiary                     | 28                                | -                               | -                     | -               | -               | -                           | 28      |
| Additions                                                   | 7,076                             | -                               | -                     | -               | -               | 1,049                       | 8,125   |
| Write-off                                                   | (38)                              | -                               | -                     | -               | -               | -                           | (38)    |
| Transfer in (out)                                           | (1,348)                           | -                               | -                     | -               | -               | -                           | (1,348) |
| 31 December 2016                                            | 42,546                            | 129,500                         | 50,000                | 15,000          | 1,200           | 1,049                       | 239,295 |
| <b>Accumulated amortisation</b>                             |                                   |                                 |                       |                 |                 |                             |         |
| 1 January 2015                                              | 12,937                            | 77,957                          | 27,370                | -               | -               | -                           | 118,264 |
| Amortisation for the year                                   | 3,088                             | -                               | -                     | -               | -               | -                           | 3,088   |
| 31 December 2015                                            | 16,025                            | 77,957                          | 27,370                | -               | -               | -                           | 121,352 |
| Increase from acquisition of subsidiary                     | 12                                | -                               | -                     | -               | -               | -                           | 12      |
| Amortisation for the year                                   | 4,138                             | -                               | -                     | -               | -               | -                           | 4,138   |
| Amortisation on write-off                                   | (11)                              | -                               | -                     | -               | -               | -                           | (11)    |
| 31 December 2016                                            | 20,164                            | 77,957                          | 27,370                | -               | -               | -                           | 125,491 |
| <b>Net book value</b>                                       |                                   |                                 |                       |                 |                 |                             |         |
| 31 December 2015                                            | 20,803                            | 51,543                          | 22,630                | 15,000          | 1,200           | -                           | 111,176 |
| 31 December 2016                                            | 22,382                            | 51,543                          | 22,630                | 15,000          | 1,200           | 1,049                       | 113,804 |
| <b>Amortisation included in profit or loss for the year</b> |                                   |                                 |                       |                 |                 |                             |         |
| 2015                                                        |                                   |                                 |                       |                 |                 |                             | 3,088   |
| 2016                                                        |                                   |                                 |                       |                 |                 |                             | 4,138   |

(Unit: Thousand Baht)

### Separate financial statements Computer software

#### Cost

|                  |      |
|------------------|------|
| 1 January 2015   | 200  |
| Additions        | 35   |
| 31 December 2015 | 235  |
| Additions        | 395  |
| Disposals        | (38) |
| 31 December 2016 | 592  |

(Unit: Thousand Baht)  
 Separate  
financial statements  
Computer software

**Accumulated amortisation**

|                           |      |
|---------------------------|------|
| 1 January 2015            | 131  |
| Amortisation for the year | 38   |
| 31 December 2015          | 169  |
| Amortisation for the year | 29   |
| Amortisation on disposals | (11) |
| 31 December 2016          | 187  |

**Net book value**

|                  |     |
|------------------|-----|
| 31 December 2015 | 66  |
| 31 December 2016 | 405 |

**Amortisation included in profit or loss for the year**

|      |    |
|------|----|
| 2015 | 38 |
| 2016 | 29 |

As at 31 December 2016, certain computer software items of subsidiaries have been fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 10 million (2015: Baht 9 million) (The Company only: Baht 0.1 million, 2015: Baht 0.1 million).

**21. Assets held for sale**

Details of assets held for sale are as follows:

(Unit: Thousand Baht)

|                                                                | Consolidated financial statements |         |
|----------------------------------------------------------------|-----------------------------------|---------|
|                                                                | 2016                              | 2015    |
| Machinery                                                      | 12,300                            | 12,300  |
| Less: Allowance for impairment loss<br>on assets held for sale | (3,069)                           | (2,447) |
| Machinery - net                                                | 9,231                             | 9,853   |

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

## 22. Prepaid rental expenses

(Unit: Thousand Baht)

| Consolidated financial statements |                                                        |                   |          |                                     |
|-----------------------------------|--------------------------------------------------------|-------------------|----------|-------------------------------------|
|                                   | Remaining<br>periods of<br>leasehold rights<br>(years) | 1 January<br>2016 | Increase | Amortisation<br>31 December<br>2016 |
| Prepaid rental expenses           | 33                                                     | -                 | 218,000  | (20,327)                            |
| Project under development         |                                                        | -                 | 35,818   | -                                   |
| Total                             |                                                        | -                 | 253,818  | (20,327)                            |

On 24 March 2016, a subsidiary of AIRA Property Company Limited (a subsidiary) entered into a 30-year land lease agreement with the Crown Property Bureau and paid for prepaid rental expenses of Baht 218 million.

## 23. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

|                  | Interest rate (% per annum) |             | Consolidated financial statements |           |
|------------------|-----------------------------|-------------|-----------------------------------|-----------|
|                  | 2016                        | 2015        | 2016                              | 2015      |
| Overdraft        | -                           | MOR         | -                                 | 637       |
| Promissory notes | 2.00 - 3.78                 | 3.15 - 3.75 | 1,935,000                         | 1,229,000 |
| Total            |                             |             | 1,935,000                         | 1,229,637 |

As at 31 December 2016, the subsidiaries had credit facilities for bank overdrafts and short-term loans from financial institutions. Under these credit facilities, the subsidiaries have to comply with certain terms and conditions prescribed in the agreements such as not to mortgage, pledge or create of commitment over any fixed assets (Negative pledge) or maintain the financial ratio, etc.

As at 31 December 2016, the subsidiaries had unutilised credit facilities totalling Baht 1,245 million (2015: Baht 1,030 million).

## 24. Payables to Clearing House

(Unit: Thousand Baht)

| Consolidated financial statements       |       |
|-----------------------------------------|-------|
|                                         |       |
| 2016                                    | 2015  |
| Payables to Clearing House              | -     |
| Payables to overseas securities company | 5,292 |
| Total payables to Clearing House        | 5,292 |

## 25. Securities and derivatives business payables

|                                                           | (Unit: Thousand Baht)             |                |
|-----------------------------------------------------------|-----------------------------------|----------------|
|                                                           | Consolidated financial statements |                |
|                                                           | 2016                              | 2015           |
| <b>Securities business payables</b>                       |                                   |                |
| Cash accounts                                             | 696,723                           | 195,534        |
| <b>Derivatives business payables</b>                      |                                   |                |
| Derivatives business payables                             | -                                 | -              |
| <b>Total securities and derivatives business payables</b> | <b>696,723</b>                    | <b>195,534</b> |

## 26. Other payables

|                                      | (Unit: Thousand Baht)             |              |                               |            |
|--------------------------------------|-----------------------------------|--------------|-------------------------------|------------|
|                                      | Consolidated financial statements |              | Separate financial statements |            |
|                                      | 2016                              | 2015         | 2016                          | 2015       |
| Other payables - related parties     | -                                 | -            | 7                             | 3          |
| Other payables - non related parties | 31,541                            | 6,065        | 1,581                         | 923        |
| <b>Total</b>                         | <b>31,541</b>                     | <b>6,065</b> | <b>1,588</b>                  | <b>926</b> |

## 27. Liabilities under finance lease agreements

|                                                                            | (Unit: Thousand Baht)             |            |
|----------------------------------------------------------------------------|-----------------------------------|------------|
|                                                                            | Consolidated financial statements |            |
|                                                                            | 2016                              | 2015       |
| Liabilities under finance lease agreements                                 | 63,086                            | 465        |
| Less: Deferred interest expenses                                           | (8,553)                           | (8)        |
| <b>Total</b>                                                               | <b>54,533</b>                     | <b>457</b> |
| Less: Current portion                                                      | (16,034)                          | (457)      |
| <b>Liabilities under finance lease agreements - net of current portion</b> | <b>38,499</b>                     | <b>-</b>   |

The subsidiary has entered into the finance lease agreements with leasing companies for rental of machinery, motor vehicles and equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

|                                                | Consolidated financial statements |           |       |       |
|------------------------------------------------|-----------------------------------|-----------|-------|-------|
|                                                | 2016                              |           |       |       |
|                                                | Less than                         | Over 5    |       | Total |
|                                                | 1 year                            | 1-5 years | years |       |
| Future minimum lease payments                  | 20                                | 43        | -     | 63    |
| Deferred interest expenses                     | (4)                               | (4)       | -     | (8)   |
| Present value of future minimum lease payments | 16                                | 39        | -     | 55    |

## 28. Subordinated debentures

(Unit: Thousand Baht)

| Issue date   | Number of debentures (shares) | Interest rate per annum    | Age     | Maturity date | Consolidated financial statements |         |
|--------------|-------------------------------|----------------------------|---------|---------------|-----------------------------------|---------|
|              |                               |                            |         |               | 2016                              | 2015    |
| 1 April 2013 | 200,000                       | Year 1 - 3 Fixed rate 5.0% | 3 years | 1 April 2016  | -                                 | 200,000 |
| 1 April 2016 | 200,000                       | Year 1 - 3 Fixed rate 5.0% | 3 years | 1 April 2019  | 200,000                           | -       |
| Total        |                               |                            |         |               | 200,000                           | 200,000 |

These debentures are unsecured debentures.

On 17 February 2016, the meeting of the subsidiary's Board of management passed a resolution approving the issuance and offering of up to Baht 200 million of subordinated, unsecured debentures with interest rate at 5.0% per annum with terms of 3 years on 1 April 2016, which is maturity within 1 April 2019.

As at 31 December 2016, the balance of the above subordinated debentures of the subsidiary included related parties of Baht 110 million (2015: Baht 180 million).

## 29. Bills of exchange

(Unit: Thousand Baht)

|                                 | Interest rate (% per annum) |             | Consolidated financial statements |         | Separate financial statements |      |
|---------------------------------|-----------------------------|-------------|-----------------------------------|---------|-------------------------------|------|
|                                 |                             |             |                                   |         |                               |      |
|                                 | 2016                        | 2015        | 2016                              | 2015    | 2016                          | 2015 |
| Bills of exchange               | 3.00 - 3.50                 | 2.75 - 3.00 | 460,000                           | 640,000 | -                             | -    |
| Less: Prepaid interest expenses |                             |             | (433)                             | (2,762) | -                             | -    |
| Total bills of exchange         |                             |             | 459,567                           | 637,238 | -                             | -    |

As at 31 December 2016, the balance of the above bills of exchange of the subsidiary included related parties of Baht 440 million (2015: Baht 637 million).

### 30. Other current liabilities

|                              | (Unit: Thousand Baht)             |        |                               |       |
|------------------------------|-----------------------------------|--------|-------------------------------|-------|
|                              | Consolidated financial statements |        | Separate financial statements |       |
|                              | 2016                              | 2015   | 2016                          | 2015  |
| Accrued expenses             | 12,512                            | 9,193  | 171                           | 125   |
| Marketing incentive fees     |                                   |        |                               |       |
| payables                     | 12,484                            | 7,357  | -                             | -     |
| Deposits and cheque in       |                                   |        |                               |       |
| transit awaiting to transfer | 194                               | 1,591  | 128                           | 1,526 |
| Other current liabilities    | 15,848                            | 17,257 | 3,187                         | 7,030 |
| Total                        | 41,038                            | 35,398 | 3,486                         | 8,681 |

### 31. Provision for long-term employee benefits

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

|                                                    | (Unit: Thousand Baht) |         |                      |       |
|----------------------------------------------------|-----------------------|---------|----------------------|-------|
|                                                    | Consolidated          |         | Separate             |       |
|                                                    | financial statements  |         | financial statements |       |
|                                                    | 2016                  | 2015    | 2016                 | 2015  |
| Defined benefit obligation at beginning of year    | 22,047                | 15,161  | 3,862                | 1,038 |
| Increase from purchase of investment in subsidiary | 246                   | -       | -                    | -     |
| Included in profit or loss:                        |                       |         |                      |       |
| Current service cost                               | 3,376                 | 4,703   | 495                  | 481   |
| Interest cost                                      | 734                   | 947     | 106                  | 90    |
| Included in other comprehensive income:            |                       |         |                      |       |
| Actuarial (gain) loss arising from                 |                       |         |                      |       |
| Demographic assumptions changes                    | -                     | 931     | -                    | 607   |
| Financial assumptions changes                      | (1,252)               | 182     | -                    | 59    |
| Experience adjustments                             | (692)                 | 2,833   | -                    | 1,587 |
| Benefit paid during the year                       | (837)                 | (2,710) | -                    | -     |
| Defined benefit obligation at end of year          | 23,622                | 22,047  | 4,463                | 3,862 |

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

|                                             | Consolidated         |       | Separate             |      |
|---------------------------------------------|----------------------|-------|----------------------|------|
|                                             | financial statements |       | financial statements |      |
|                                             | 2016                 | 2015  | 2016                 | 2015 |
| Current service cost                        | 3,376                | 4,703 | 495                  | 481  |
| Interest cost                               | 734                  | 947   | 106                  | 91   |
| Total expenses recognised in profit or loss | 4,110                | 5,650 | 601                  | 572  |

The subsidiaries expect to pay Baht 2.2 million of long-term employee benefits during the next year (2015: Baht 0.2 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 3 - 9 years (the Company only: 3 years) (2015: 3 - 13 years, the Company only: 3 years).

Principal actuarial assumptions at the valuation date were as follows:

(Unit: % per annum)

|                                        | Consolidated financial statements |             | Separate financial statements |      |
|----------------------------------------|-----------------------------------|-------------|-------------------------------|------|
|                                        | 2016                              | 2015        | 2016                          | 2015 |
| Discount rate                          | 2.25 - 3.43                       | 2.75 - 3.5  | 2.75                          | 2.75 |
| Future salary increase rate            | 3.0 - 5.0                         | 3.0 - 7.0   | 5.0                           | 5.0  |
| Staff turnover rate (depending on age) | 15.0 - 25.0                       | 20.0 - 25.0 | 20.0                          | 20.0 |

Sensitivity analysis for significant assumptions that effect to the long-term employee benefit obligation as at 31 December 2016 is summarised below:

(Unit: Million Baht)

|                                                     | Consolidated financial statements |          |                      |          |
|-----------------------------------------------------|-----------------------------------|----------|----------------------|----------|
|                                                     | Discount rate                     |          | Salary increase rate |          |
|                                                     | Increase                          | Decrease | Increase             | Decrease |
|                                                     | 0.50%                             | 0.50%    | 1.00%                | 1.00%    |
| Impact on the long-term employee benefit obligation | (0.8)                             | 0.4      | 2.1                  | (1.8)    |

(Unit: Million Baht)

|                                                     | Separate financial statements |          |                      |          |
|-----------------------------------------------------|-------------------------------|----------|----------------------|----------|
|                                                     | Discount rate                 |          | Salary increase rate |          |
|                                                     | Increase                      | Decrease | Increase             | Decrease |
|                                                     | 0.50%                         | 0.50%    | 1.00%                | 1.00%    |
| Impact on the long-term employee benefit obligation | (0.1)                         | 0.1      | 0.2                  | (0.2)    |

Sensitivity analysis for significant assumptions that effect to the long-term employee benefit obligation as at 31 December 2015 is summarised below:

(Unit: Million Baht)

|                                                     | Consolidated financial statements |          |                      |          |
|-----------------------------------------------------|-----------------------------------|----------|----------------------|----------|
|                                                     | Discount rate                     |          | Salary increase rate |          |
|                                                     | Increase                          | Decrease | Increase             | Decrease |
|                                                     | 0.50%                             | 0.50%    | 1.00%                | 1.00%    |
| Impact on the long-term employee benefit obligation | (1.3)                             | 0.6      | 1.9                  | (2.3)    |

(Unit: Million Baht)

|                                                     | Separate financial statements |          |                      |          |
|-----------------------------------------------------|-------------------------------|----------|----------------------|----------|
|                                                     | Discount rate                 |          | Salary increase rate |          |
|                                                     | Increase                      | Decrease | Increase             | Decrease |
|                                                     | 0.50%                         | 0.50%    | 1.00%                | 1.00%    |
| Impact on the long-term employee benefit obligation | (0.1)                         | 0.1      | 0.2                  | (0.2)    |

## 32. Share capital

On 19 June 2015, the Extraordinary General Meeting of the Company's shareholders approved the increase of the Company's registered share capital by Baht 790,000,000, consisting of 3,160,000,000 ordinary shares with a par value of Baht 0.25 per share, from the existing registered capital of Baht 1,000,000,000 (4,000,000,000 ordinary shares of Baht 0.25 each) to a new registered capital of Baht 1,790,000,000 (7,160,000,000 ordinary shares of Baht 0.25 each), with the new ordinary shares to be allocated as follows:

### 1) Rights offering

Not more than 1,563,773,944 new ordinary shares are to be offered to the Company's existing shareholders at a ratio of 2 new shares for every 5 existing shares, at an offering price of Baht 1 per share.

### 2) Warrants to purchase ordinary shares of the Company No. 1 ("AIRA-W1")

Not more than 781,886,972 new ordinary shares are to be reserved to support the exercise of AIRA-W1, which are registered and transferable warrants, as discussed in Note 33.2 to the financial statements.

- 3) Warrants to purchase ordinary shares of the Company No. 1 (“AIRA-W2”) Not more than 781,886,972 new ordinary shares are to be reserved to support the exercise of AIRA-W2, which are registered and transferable warrants as discussed in Note 33.3 to the financial statements.
- 4) Approximately 32,452,112 additional ordinary shares are to be allocated to support the adjustment of the rights of the ESOP warrants.

The Company already received the payment for the shares and registered the change in its paid-up capital to Baht 1,370,442,888 (5,481,771,553 ordinary shares of Baht 0.25 each) with the Ministry of Commerce on 23 July 2015 and the additional shares of the Company were traded in the Market for Alternative Investment (MAI) from 28 July 2015.

On 30 September 2015, the warrant holders exercised 11,238,500 warrants to purchase ordinary shares at an exercise price of Baht 0.25 per share, totalling Baht 3,664,840. In September 2015, the Company received full payment for the shares. As a result, the Company registered the increase in its share capital with the Ministry of Commerce on 12 October 2015.

On 30 October 2015 the holder of 329,500 AIRA-W1 warrants exercised options to purchase 329,500 ordinary shares at an exercise price of Baht 2.00 each. The Company received payment of the additional share capital amounting to Baht 659,000 in October 2015. The holder of 100 AIRA-W2 warrants exercised options to purchase 100 ordinary shares at an exercise price of Baht 3.50 each. The Company received payment of the additional share capital amounting to Baht 350 in October 2015, resulting in an increase in the Company’s paid-up share capital from Baht 1,374,107,728 to Baht 1,374,190,128. The Company registered the increase in paid-up share capital with the Ministry of Commerce on 6 November 2015 and the additional shares of the Company were traded in the Market for Alternative Investment (MAI) from 11 November 2015.

On 30 December 2015, the warrant holders exercised 14,519,600 warrants to purchase ordinary shares at an exercise price of Baht 0.25 per share, totalling Baht 4,734,791. In December 2015, the Company received full payment for the shares. As a result, the Company registered the increase in its share capital with the Ministry of Commerce on 7 January 2016 and the additional shares of the Company were traded in the Market for Alternative Investment (MAI) from 13 January 2016. As at 31 December 2016, the Company presented cash receipt from such shares as “Cash receipt of share subscription” in statements of financial position.

## Reconciliation of number of share capital

|                                                                                                           | Consolidated and Separate financial statements |                 |                   |                 |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------|-------------------|-----------------|
|                                                                                                           | 2016                                           | 2016            | 2015              | 2015            |
|                                                                                                           | (Number of share)                              | (Thousand Baht) | (Number of share) | (Thousand Baht) |
| <u>Registered share capital</u>                                                                           |                                                |                 |                   |                 |
| At beginning of year                                                                                      | 7,160,000,000                                  | 1,790,000       | 4,000,000,000     | 1,000,000       |
| Increase from approval of the Extraordinary General Meeting of the Company's shareholders on 19 June 2015 | -                                              | -               | 3,160,000,000     | 790,000         |
| At end of year                                                                                            | 7,160,000,000                                  | 1,790,000       | 7,160,000,000     | 1,790,000       |
| <u>Issued and paid-up share capital</u>                                                                   |                                                |                 |                   |                 |
| At beginning of year                                                                                      | 5,496,760,513                                  | 1,374,190       | 3,893,595,260     | 973,399         |
| Increase from increasing share capital                                                                    | -                                              | -               | 1,563,773,944     | 390,943         |
| Increase from exercise of warrants                                                                        | 150,602,431                                    | 37,651          | 39,391,309        | 9,848           |
| At end of year                                                                                            | 5,647,362,944                                  | 1,411,841       | 5,496,760,513     | 1,374,190       |

### **33. Warrants/Capital reserve for share-based payment transactions**

The details of warrants issued by the Company are as follows:

#### **33.1 ESOP**

On 3 June 2013, the Company allotted warrants under Employee Stock Option Plan to employees of the Company and its subsidiaries for 124,669,240 units. The details are as follows:

|                                      |                                                                                                                     |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| No. of securities offered:           | 124,669,240 units                                                                                                   |
| No. of shares reserved for exercise: | 124,669,240 shares                                                                                                  |
| Term:                                | 4 years from the issuance date of warrants                                                                          |
| Offering date:                       | 3 June 2013                                                                                                         |
| Expiry date:                         | 3 June 2017                                                                                                         |
| Offering price:                      | 0 Baht                                                                                                              |
| Exercise price:                      | 0.25 Baht per share                                                                                                 |
| Exercise ratio:                      | 1 ordinary share per 1 warrant. The exercise ratio may be changed following the conditions for adjustment of right. |
| Allotment method:                    | The Company allotted all warrants to directors : management : employees in the proportion of 5 : 20 : 75.           |

Exercise period:

Exercise date no.1

Upon completion of a period of 12 months from the offering date the warrant holders can exercise 15% of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.2

Upon completion of a period of 18 months from the offering date the warrant holders can exercise 15% of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.3

Upon completion of a period of 24 months from the offering date the warrant holders can exercise 15% of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.4

Upon completion of a period of 30 months from the offering date the warrant holders can exercise 15% of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.5

Upon completion of a period of 36 months from the offering date the warrant holders can exercise 20% of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.6

Upon completion of a period of 42 months from the offering date the warrant holders can exercise the right to receive all and the remainder of the exercise period, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

The estimated fair value of each share option granted is Baht 0.06. This was calculated using the Black-scholes Merton formula. The model inputs were the share price at the price determination date of Baht 0.34, the exercise price of Baht 0.25, expected volatility of 17.14%, an expected dividend yield of 5.00%, the life of the share options of 4 years, and a risk-free interest rate of 2.86%.

On 25 June 2015, the Company adjusted the exercised ratio for the ESOP warrants. Details of the adjustment are as follows:

|                | The existing exercise rights              | The new exercise rights                          |
|----------------|-------------------------------------------|--------------------------------------------------|
| Exercise ratio | 1 warrant to purchase<br>1 ordinary share | 1 warrant to purchase<br>1.30439 ordinary shares |

During the year 2016, the Company and its subsidiaries recorded expenses amounting to Baht 1.54 million (2015: Baht 1.14 million) (the Company only: Baht 0.29 million, 2015: Baht 0.23 million) as personnel expenses.

During the current year, the warrant holders exercised their rights to purchase ordinary shares as follow:

|                            | Numbers of<br>warrant units | Numbers of<br>ordinary<br>shares | Cash receipt<br>from exercise<br>of warrants<br>(Thousand Baht) | The Company's<br>paid-up capital<br>which increase<br>from exercise of<br>warrants<br>(Thousand Baht) | Registration date of<br>increase in paid-up<br>capital with the<br>Ministry of<br>Commerce |
|----------------------------|-----------------------------|----------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Exercise in March 2016     | 790,900                     | 1,031,633                        | 258                                                             | 258                                                                                                   | 8 April 2016                                                                               |
| Exercise in June 2016      | 20,178,400                  | 26,320,434                       | 6,580                                                           | 6,580                                                                                                 | 11 July 2016                                                                               |
| Exercise in September 2016 | 3,088,700                   | 4,028,862                        | 1,007                                                           | 1,007                                                                                                 | 11 October 2016                                                                            |
| Exercise in December 2016  | 7,749,900                   | 10,108,836                       | 2,527                                                           | 2,527*                                                                                                | 6 January 2017                                                                             |
|                            | <u>31,807,900</u>           | <u>41,489,765</u>                | <u>10,372</u>                                                   | <u>10,372</u>                                                                                         |                                                                                            |

\* As at 31 December 2016, such amount was presented as "Cash receipt of share subscription" in statements of financial position.

As at 31 December 2016, 5,440 warrants remain unallocated.

Movements in the number of warrants, ESOP during the period are as follows:

|                                           | (Unit: Units)<br>Consolidated and<br>Separate financial<br>statements |
|-------------------------------------------|-----------------------------------------------------------------------|
| Number of warrants as at 1 January 2016   | 54,134,540                                                            |
| Exercise during year                      | (31,807,900)                                                          |
| Cancel during year                        | (590,500)                                                             |
| Number of warrants as at 31 December 2016 | <u>21,736,140</u>                                                     |

Up to 31 December 2016, the Company cancelled a total of 4,698,400 warrants to purchase ordinary shares of the Company that had been allocated to the directors and management of the Company, because the directors and management who held those warrants had resigned, thus breaching the conditions under which the warrants were received.

### 33.2 AIRA-W1

On 19 June 2015, the Extraordinary General Meeting of the Company's shareholders approved the allotment of up to 781,886,972 warrants (AIRA-W1), which are registered and transferable warrants, to the Company's existing shareholders who subscribe to the newly issued shares. Details of the warrants are summarised below.

|                               |                                                                                                                                                                                        |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of warrants issued     | : 781,886,972 units                                                                                                                                                                    |
| Number of warrants subscribed | : 781,886,827 units                                                                                                                                                                    |
| Offering price                | : Baht 0 per unit                                                                                                                                                                      |
| Offering method               | : Proportionate allocation to existing shareholders of the Company who subscribe to the newly issued shares at an offering ratio of 1 warrant for every 2 newly issued ordinary shares |
| Exercise ratio and price      | : 1 warrant per 1 newly issued ordinary share at a price of Baht 2.00 per share                                                                                                        |
| Date of issuance              | : 3 August 2015                                                                                                                                                                        |
| Term of the warrant           | : 3 years from the issuance date of warrants                                                                                                                                           |
| Expiry date                   | : 2 August 2018                                                                                                                                                                        |
| Exercise dates                | : On the last business day of October, January, April and July of every year                                                                                                           |

### Reconciliation of number of AIRA-W1 warrants

|                                           | (Unit: Units)                                        |
|-------------------------------------------|------------------------------------------------------|
|                                           | Consolidated and<br>Separate<br>financial statements |
| Number of warrants as at 1 January 2016   | 781,557,327                                          |
| Exercised during period                   | (100,282,340)                                        |
| Number of warrants as at 31 December 2016 | 681,274,987                                          |

### **33.3 AIRA-W2**

On 19 June 2015, the Extraordinary General Meeting of the Company's shareholders approved the allotment of up to 781,886,972 warrants (AIRA-W2), which are registered and transferable warrants, to the Company's existing shareholders who subscribe to the newly issued shares. Details of the warrants are summarised below.

|                               |                                                                                                                                                                                        |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of warrants issued     | : 781,886,972 units                                                                                                                                                                    |
| Number of warrants subscribed | : 781,886,827 units                                                                                                                                                                    |
| Offering price                | : Baht 0 per unit                                                                                                                                                                      |
| Offering method               | : Proportionate allocation to existing shareholders of the Company who subscribe to the newly issued shares at an offering ratio of 1 warrant for every 2 newly issued ordinary shares |
| Exercise ratio and price      | : 1 warrant per 1 newly issued ordinary share at a price of Baht 3.50 per share                                                                                                        |
| Date of issuance              | : 3 August 2015                                                                                                                                                                        |
| Term of the warrant           | : 4 years from the issuance date of warrants                                                                                                                                           |
| Expiry date                   | : 2 August 2019                                                                                                                                                                        |
| Exercise dates                | : On the last business day of October, January, April and July of every year                                                                                                           |

## Reconciliation of number of AIRA-W2 warrants

|                                           | (Unit: Units)                                        |
|-------------------------------------------|------------------------------------------------------|
|                                           | Consolidated and<br>Separate<br>financial statements |
| Number of warrants as at 1 January 2016   | 781,886,727                                          |
| Number of warrants as at 31 December 2016 | 781,886,727                                          |

### 34. Statutory reserve

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

### 35. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

|                                                                                   | (Unit: Thousand Baht)                |               |
|-----------------------------------------------------------------------------------|--------------------------------------|---------------|
|                                                                                   | Consolidated<br>financial statements |               |
|                                                                                   | 2016                                 | 2015          |
| <b>Current income tax:</b>                                                        |                                      |               |
| Current income tax charge                                                         | 31,432                               | 15,515        |
| <b>Deferred tax:</b>                                                              |                                      |               |
| Relating to origination and reversal of temporary differences                     | (748)                                | (294)         |
| <b>Income tax expenses reported in the statements of<br/>comprehensive income</b> | <b>30,684</b>                        | <b>15,221</b> |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

|                                                                                       | (Unit: Thousand Baht)                |              |
|---------------------------------------------------------------------------------------|--------------------------------------|--------------|
|                                                                                       | Consolidated<br>financial statements |              |
|                                                                                       | 2016                                 | 2015         |
| Deferred tax relating to loss on change in value of<br>available-for-sale investments | 3,063                                | 5,830        |
| Deferred tax relating to actuarial gain                                               | (389)                                | 334          |
|                                                                                       | <u>2,674</u>                         | <u>6,164</u> |

The reconciliation between accounting profit (loss) and income tax expenses is shown below.

|                                                                          | (Unit: Thousand Baht)                |                 |
|--------------------------------------------------------------------------|--------------------------------------|-----------------|
|                                                                          | Consolidated<br>financial statements |                 |
|                                                                          | 2016                                 | 2015            |
| Accounting loss before tax                                               | <u>(66,801)</u>                      | <u>(85,606)</u> |
| Applicable tax rate                                                      | 17%, 20%                             | 17%, 20%        |
| Accounting loss before tax multiplied by<br>applicable tax rate          | (12,753)                             | (16,470)        |
| Deductible temporary differences and unused tax losses                   | 41,180                               | 28,284          |
| Tax losses used in current year                                          | -                                    | (74)            |
| Impairment of deferred tax assets                                        | 109                                  | -               |
| Effects of:                                                              |                                      |                 |
| Promotional privileges                                                   | (936)                                | (1,196)         |
| Non-deductible expenses                                                  | 4,103                                | 4,850           |
| Additional expense deductions allowed                                    | (1,366)                              | (173)           |
| Others                                                                   | 347                                  | -               |
| Total                                                                    | <u>2,148</u>                         | <u>3,481</u>    |
| Income tax expenses reported in the statement of comprehensive<br>income | <u>30,684</u>                        | <u>15,221</u>   |

|                                                                       | (Unit: Thousand Baht) |          |
|-----------------------------------------------------------------------|-----------------------|----------|
|                                                                       | Separate              |          |
|                                                                       | financial statements  |          |
|                                                                       | 2016                  | 2015     |
| Accounting profit before tax                                          | 88,367                | 45,268   |
| Applicable tax rate                                                   | 20%                   | 20%      |
| Accounting profit before tax multiplied by applicable tax rate        | 17,673                | 9,054    |
| Deductible temporary differences and unused tax losses                | 2,721                 | 6,687    |
| Effects of:                                                           |                       |          |
| Promotional privileges                                                | (20,934)              | (16,181) |
| Non-deductible expenses                                               | 582                   | 547      |
| Additional expense deductions allowed                                 | (42)                  | (107)    |
| Total                                                                 | (20,394)              | (15,741) |
| Income tax expenses reported in the statement of comprehensive income | -                     | -        |

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

|                                                                | (Unit: Thousand Baht)   |             |
|----------------------------------------------------------------|-------------------------|-------------|
|                                                                | Statements of financial |             |
|                                                                | position                |             |
|                                                                | Consolidated financial  |             |
|                                                                | statements              |             |
|                                                                | As at                   | As at       |
|                                                                | 31 December             | 31 December |
|                                                                | 2016                    | 2015        |
| <b>Deferred tax assets</b>                                     |                         |             |
| Finance lease assets                                           | 1,294                   | -           |
| Allowance for doubtful accounts                                | 1,391                   | 2,159       |
| Allowance for impairment loss on asset held for sale           | 614                     | 489         |
| Provision for long-term employee benefits                      | 3,800                   | 3,627       |
| Unrealised loss on re-measuring available-for-sale investments | 13,834                  | 11,286      |
| Others                                                         | 721                     | 707         |
| Total                                                          | 21,654                  | 18,268      |
| <b>Deferred tax liabilities</b>                                |                         |             |
| Depreciation of assets                                         | (6,214)                 | -           |
| Amortisation of intangible assets                              | (17,393)                | (17,039)    |
| Total                                                          | (23,607)                | (17,039)    |
| <b>Deferred tax assets (liabilities), net</b>                  | (1,953)                 | 1,229       |

(Unit: Thousand Baht)  
Statements of financial  
position

Consolidated financial  
statements

|                                                               | As at<br>31 December<br>2016 | As at<br>31 December<br>2015 |
|---------------------------------------------------------------|------------------------------|------------------------------|
| Reflected in the statements of financial position as follows: |                              |                              |
| Deferred tax assets                                           | 6,183                        | 5,278                        |
| Deferred tax liabilities                                      | (8,136)                      | (4,049)                      |
| <b>Deferred tax assets (liabilities), net</b>                 | <b>(1,953)</b>               | <b>1,229</b>                 |

As at 31 December 2016, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 330 million (2015: Baht 307 million) (the Company only 2016: Baht 146 million, 2015: Baht 155 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

Details of expiry date of unused tax losses are summarised as below:

|                  | (Unit: Million Baht)                 |             |                                  |             |
|------------------|--------------------------------------|-------------|----------------------------------|-------------|
|                  | Consolidated<br>financial statements |             | Separate<br>financial statements |             |
|                  | <u>2016</u>                          | <u>2015</u> | <u>2016</u>                      | <u>2015</u> |
| 31 December 2017 | 24                                   | 24          | 21                               | 21          |
| 31 December 2018 | 41                                   | 41          | 28                               | 28          |
| 31 December 2019 | 66                                   | 66          | 48                               | 48          |
| 31 December 2020 | 53                                   | 55          | 31                               | 33          |
| 31 December 2021 | 41                                   | -           | 13                               | -           |
|                  | <u>225</u>                           | <u>186</u>  | <u>141</u>                       | <u>130</u>  |

### 36. Brokerage fees income

(Unit: Thousand Baht)

|                                          | Consolidated financial statements |         |
|------------------------------------------|-----------------------------------|---------|
|                                          | 2016                              | 2015    |
| Brokerage fees from securities business  | 364,790                           | 348,256 |
| Brokerage fees from derivatives business | 50,402                            | 46,326  |
| Other brokerage fees                     | 1,123                             | 4,221   |
| Total                                    | 416,315                           | 398,803 |

### 37. Fees and services income

(Unit: Thousand Baht)

|                         | Consolidated financial statements |        |
|-------------------------|-----------------------------------|--------|
|                         | 2016                              | 2015   |
| Financial advisory      | 18,587                            | 22,853 |
| Private fund management | 3,191                             | 2,869  |
| Service and front-end   | 37,856                            | 30,971 |
| Others                  | 347                               | 1,222  |
| Total                   | 59,981                            | 57,915 |

### 38. Provident fund

The Company and its employees, and the subsidiaries and its employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Company, subsidiaries and employees of each company contribute to the funds monthly at the rate of 3 - 10 percent of basic salary. The funds, which are managed by Kasikorn Asset Management Company Limited and SCB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules.

The contributions for the year 2016 and 2015 were recognised as expenses as follows:

(Unit: Million Baht)

|                                  | Consolidated financial statements |      | Separate financial statements |      |
|----------------------------------|-----------------------------------|------|-------------------------------|------|
|                                  | 2016                              | 2015 | 2016                          | 2015 |
| Contributions to provident funds | 10.6                              | 10.5 | 1.4                           | 1.1  |

### 39. Earnings per share

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

Diluted earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the sum of the weighted average number of ordinary shares which issued during the year and the weighted average number of ordinary shares which would need to issue to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

| Consolidated financial statements                  |                 |                           |                   |                |         |  |
|----------------------------------------------------|-----------------|---------------------------|-------------------|----------------|---------|--|
| Loss for the year                                  |                 | Weighted average          |                   | Loss per share |         |  |
|                                                    |                 | number of ordinary shares |                   |                |         |  |
| 2016                                               | 2015            | 2016                      | 2015              | 2016           | 2015    |  |
| (Thousand Baht)                                    | (Thousand Baht) | (Thousand shares)         | (Thousand shares) | (Baht)         | (Baht)  |  |
| <b>Basic earnings per share</b>                    |                 |                           |                   |                |         |  |
| Loss attributable to equity holders of the Company |                 |                           |                   |                |         |  |
| (107,836)                                          | (98,963)        | 5,548,831*                | 4,641,826*        | (0.019)        | (0.021) |  |

\* Included ordinary shares from the exercise of warrants in December

| Separate financial statements                                                                       |                 |                           |                   |                    |        |  |
|-----------------------------------------------------------------------------------------------------|-----------------|---------------------------|-------------------|--------------------|--------|--|
| Profit for the year                                                                                 |                 | Weighted average          |                   | Earnings per share |        |  |
|                                                                                                     |                 | number of ordinary shares |                   |                    |        |  |
| 2016                                                                                                | 2015            | 2016                      | 2015              | 2016               | 2015   |  |
| (Thousand Baht)                                                                                     | (Thousand Baht) | (Thousand shares)         | (Thousand shares) | (Baht)             | (Baht) |  |
| <b>Basic earnings per share</b>                                                                     |                 |                           |                   |                    |        |  |
| Profit attributable to equity holders of the Company                                                |                 |                           |                   |                    |        |  |
| 88,367                                                                                              | 45,268          | 5,548,831*                | 4,641,826*        | 0.016              | 0.010  |  |
| <b>Effect of dilutive potential ordinary shares</b>                                                 |                 |                           |                   |                    |        |  |
| Warrants                                                                                            |                 |                           |                   |                    |        |  |
| -                                                                                                   | -               | 163,118                   | 381,404           |                    |        |  |
| <b>Diluted earnings per share</b>                                                                   |                 |                           |                   |                    |        |  |
| Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares |                 |                           |                   |                    |        |  |
| 88,367                                                                                              | 45,268          | 5,711,949                 | 5,023,230         | 0.015              | 0.009  |  |

\* Included ordinary shares from the exercise of warrants in December

However, the Company did not calculate diluted earnings per share for the year ended 31 December 2016 and 2015, for the consolidated financial statements, because the Company had an operating loss and the effect of the warrants described in Note 33 is therefore anti-dilute.

There is no disclosure of diluted earnings per share of AIRA-W2 warrants in the statement of comprehensive income for the year ended 31 December 2016 and 2015, since the aggregated amount of the exercise price of AIRA-W2 warrants was higher than the average market price of the Company's ordinary shares.

#### 40. Dividends

| (Unit: Thousand Baht)                                        |                                                                     |                                  |                                             |
|--------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------|---------------------------------------------|
| Dividend                                                     | Authorised by                                                       | Dividend paid<br>(Thousand Baht) | Dividend paid per share<br>(Baht per share) |
| Interim dividend from profit for January - September of 2015 | The meeting of the Company's Board of Directors<br>12 November 2015 | 41,225                           | 0.0075                                      |

#### 41. Commitments and contingent liabilities

As at 31 December 2016 and 2015, the Company and its subsidiaries have the following outstanding commitments.

- 1) The Company and its subsidiaries have entered into operating lease agreements in respect of the lease of area in the building and equipment. The terms of the agreements are generally between 1 and 9 years.

Future minimum lease payments required under these operating leases contracts and service contracts were as follows:

| (Unit: Million Baht)        |                                      |      |                                  |      |
|-----------------------------|--------------------------------------|------|----------------------------------|------|
|                             | Consolidated<br>financial statements |      | Separate<br>financial statements |      |
|                             | 2016                                 | 2015 | 2016                             | 2015 |
| Payable:                    |                                      |      |                                  |      |
| In up to 1 year             | 49                                   | 34   | 5                                | 3    |
| In over 1 and up to 5 years | 147                                  | 114  | 19                               | 11   |
| In over 5 years             | 11                                   | 40   | 2                                | 4    |

- 2) As at 31 December 2016, the subsidiary of AIRA Property Public Company Limited has the following commitments under land and construction lease agreement.

| Agreement date | Agreement period | Maturity date | Rental rate                                                                                                                                                                                                                                                                                                              |
|----------------|------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 24 March 2016  | 30 years*        | 1 April 2049  | From 1 April 2019, the following rental is to be paid in yearly installments<br>1st – 4th year, total rental payment of Baht 40 million<br>5th - 7th year, total rental payment of Baht 60 million<br>8th - 29th year, total rental payment of Baht 550 million<br>30th year, total rental payment of Baht 26.38 million |

\* The agreement runs from 1 April 2019 (3 years after the period of construction).

(Unit: Million Baht)

|                             | Consolidated financial statements |      |
|-----------------------------|-----------------------------------|------|
|                             | 2016                              | 2015 |
| Payable:                    |                                   |      |
| In over 1 and up to 5 years | 20                                | -    |
| In over 5 years             | 656                               | -    |

- 3) The subsidiary has commitments to pay the fees related to its securities business to the Stock Exchange of Thailand, Thailand Clearing House Company Limited and Thailand Securities Depository Company Limited. These comprise a monthly fixed amount, a percentage of trading volume each month and/or a percentage of net settlements each month.
- 4) The subsidiary has commitments to pay the fees related to its derivatives business to Thailand Futures Exchange Public Company Limited and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or at the fixed payment for each purchase or sale of a futures contract transacted.
- 5) The subsidiary has commitments to pay fee to the Office of the Securities and Exchange Commission in relation to securities business licenses for securities brokerage, securities trading, investment advisory, securities underwriting, securities borrowing and lending and private fund asset management. The fee is charged at the certain rate from the aforesaid activities.
- 6) The subsidiary has commitments to pay certain service fees to Thailand Securities Depository Company Limited (TSD), as its Back Office Service Bureau. These comprise a monthly fixed amount and certain other fees specified in the agreement.

- 7) The subsidiary had capital commitments of approximately Baht 8 million (2015: Baht 0.7 million) (the Company only: Baht 0.8 million, 2015: Nil), relating to the office building improvements and computer and software improvements.
- 8) The subsidiary had commitments of approximately Baht 41 million (2015: Nil), relating to consulting fees and related expenses for the project.

#### **42. Litigation**

As at 31 December 2016, a civil lawsuit was filed against the subsidiary with an amount in dispute of Baht 3 million. At present, the case is under the taking of evidence and the making of statement. The subsidiary's being testimony and witness the litigation will have no significant impact on the financial position and operating results of the subsidiary.

#### **43. 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 Company's Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have four reportable segments as follows:

- Securities and investment business segment, which services a securities and derivatives brokerage, securities trading and investment.
- Advisory and investment banking segment, which services an investment and financial advisory, underwriting and private fund management.
- Factoring segment, which purchases account receivables.
- Rental and service business segment, which engages in finance lease, hire purchase and operating lease for industrial equipment and machines.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The Company and its subsidiaries are organised into business units based on its products and services. During the current year, the Company and its subsidiaries have changed the organization of their reportable segments. However, during the current year the Company purchased shares of AIRA Leasing Public Company Limited, as mentioned in Note 17 to the financial statements. Consequently, there is an additional segment of rental and service business segment.

The following tables present revenue, profit (loss) and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2016 and 2015, respectively.

(Unit: Million Baht)

| For the year ended 31 December 2016         |                                             |                                          |           |                                      |                                 |                                    |                                         |
|---------------------------------------------|---------------------------------------------|------------------------------------------|-----------|--------------------------------------|---------------------------------|------------------------------------|-----------------------------------------|
|                                             | Securities<br>and<br>investment<br>business | Advisory<br>and<br>investment<br>banking | Factoring | Rental<br>and<br>service<br>business | Total<br>reportable<br>segments | Adjustments<br>and<br>eliminations | Consolidated<br>financial<br>statements |
| Revenue from external customers             | 434                                         | 24                                       | 188       | 43                                   | 689                             | -                                  | 689                                     |
| Inter-segment revenue                       | 141                                         | -                                        | -         | -                                    | 141                             | (141)                              | -                                       |
| Interest revenue                            | 101                                         | 1                                        | 1         | 1                                    | 104                             | (4)                                | 100                                     |
| Interest expenses                           | (30)                                        | (1)                                      | (39)      | (3)                                  | (73)                            | 4                                  | (69)                                    |
| Depreciation and amortisation               | (12)                                        | (1)                                      | (4)       | (14)                                 | (31)                            | (2)                                | (33)                                    |
| <b>Segment profit (loss)</b>                | <b>320</b>                                  | <b>(19)</b>                              | <b>64</b> | <b>5</b>                             | <b>370</b>                      | <b>(143)</b>                       | <b>227</b>                              |
| <b>Unallocated revenue (expenses)</b>       |                                             |                                          |           |                                      |                                 |                                    |                                         |
| Interest revenue                            |                                             |                                          |           |                                      |                                 |                                    | 26                                      |
| Other revenue                               |                                             |                                          |           |                                      |                                 |                                    | 2                                       |
| Interest expenses                           |                                             |                                          |           |                                      |                                 |                                    | (16)                                    |
| Share of loss from investment in associates |                                             |                                          |           |                                      |                                 |                                    | (127)                                   |
| Operating expenses                          |                                             |                                          |           |                                      |                                 |                                    | (178)                                   |
| Income tax expenses                         |                                             |                                          |           |                                      |                                 |                                    | (31)                                    |
| <b>Loss for the year</b>                    |                                             |                                          |           |                                      |                                 |                                    | <b>(97)</b>                             |

(Unit: Million Baht)

| For the year ended 31 December 2016                                                      |                                             |                                          |              |                                      |                                 |                       |                                         |
|------------------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------|--------------|--------------------------------------|---------------------------------|-----------------------|-----------------------------------------|
|                                                                                          | Securities<br>and<br>investment<br>business | Advisory<br>and<br>investment<br>banking | Factoring    | Rental<br>and<br>service<br>business | Total<br>reportable<br>segments | Unallocated<br>assets | Consolidated<br>financial<br>statements |
| <b>Segment total assets</b>                                                              | <b>4,454</b>                                | <b>36</b>                                | <b>2,245</b> | <b>270</b>                           | <b>7,005</b>                    | <b>244</b>            | <b>7,249</b>                            |
| Additions to non-current assets other than financial instruments and deferred tax assets | 17                                          | 9                                        | 10           | 44                                   | 80                              | 7                     | 87                                      |

(Unit: Million Baht)

For the year ended 31 December 2015

|                                             | Securities and<br>investment<br>business | Advisory and<br>investment<br>banking | Factoring | Total<br>reportable<br>segments | Adjustments<br>and<br>eliminations | Consolidated<br>financial<br>statements |
|---------------------------------------------|------------------------------------------|---------------------------------------|-----------|---------------------------------|------------------------------------|-----------------------------------------|
| Revenue from external customers             | 408                                      | 27                                    | 187       | 622                             | (6)                                | 616                                     |
| Inter-segment revenue                       | 81                                       | -                                     | -         | 81                              | (81)                               | -                                       |
| Interest revenue                            | 78                                       | -                                     | 4         | 82                              | (4)                                | 78                                      |
| Interest expenses                           | (33)                                     | (1)                                   | (51)      | (85)                            | 4                                  | (81)                                    |
| Depreciation and amortisation               | (11)                                     | (1)                                   | (5)       | (17)                            | -                                  | (17)                                    |
| <b>Segment profit (loss)</b>                | <b>194</b>                               | <b>(14)</b>                           | <b>13</b> | <b>193</b>                      | <b>(87)</b>                        | <b>106</b>                              |
| <b>Unallocated revenue (expenses)</b>       |                                          |                                       |           |                                 |                                    |                                         |
| Interest revenue                            |                                          |                                       |           |                                 |                                    | 33                                      |
| Other revenue                               |                                          |                                       |           |                                 |                                    | 6                                       |
| Interest expenses                           |                                          |                                       |           |                                 |                                    | (18)                                    |
| Share of loss from investment in associates |                                          |                                       |           |                                 |                                    | (33)                                    |
| Operating expenses                          |                                          |                                       |           |                                 |                                    | (180)                                   |
| Income tax expenses                         |                                          |                                       |           |                                 |                                    | (15)                                    |
| <b>Loss for the year</b>                    |                                          |                                       |           |                                 |                                    | <b>(101)</b>                            |

(Unit: Million Baht)

For the year ended 31 December 2015

|                                                                                                | Securities and<br>investment<br>business | Advisory and<br>investment<br>banking | Factoring    | Total<br>reportable<br>segments | Unallocated<br>assets | Consolidated<br>financial<br>statements |
|------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------|--------------|---------------------------------|-----------------------|-----------------------------------------|
| <b>Segment total assets</b>                                                                    | <b>2,847</b>                             | <b>32</b>                             | <b>2,387</b> | <b>5,266</b>                    | <b>563</b>            | <b>5,829</b>                            |
| Additions to non-current assets<br>other than financial instruments<br>and deferred tax assets | 25                                       | -                                     | 2            | 27                              | 9                     | 36                                      |

## Geographic information

The Company and its subsidiaries are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

## 44. Fair value hierarchy

As at 31 December 2016 and 2015, the Company and its subsidiaries had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

|                                      | 31 December 2016                  |         |         |         |
|--------------------------------------|-----------------------------------|---------|---------|---------|
|                                      | Consolidated Financial Statements |         |         |         |
|                                      | Level 1                           | Level 2 | Level 3 | Total   |
| <b>Assets measured at fair value</b> |                                   |         |         |         |
| Held for trade investments           |                                   |         |         |         |
| Equity instruments                   | 266,660                           | -       | -       | 266,660 |
| Available-for-sale investments       |                                   |         |         |         |
| Equity instruments                   | 105,213                           | -       | -       | 105,213 |

(Unit: Thousand Baht)

31 December 2015

Consolidated Financial Statements

|                                      | Level 1 | Level 2 | Level 3 | Total   |
|--------------------------------------|---------|---------|---------|---------|
| <b>Assets measured at fair value</b> |         |         |         |         |
| Held for trade investments           |         |         |         |         |
| Equity instruments                   | 43,594  | -       | -       | 43,594  |
| Available-for-sale investments       |         |         |         |         |
| Equity instruments                   | 120,528 | -       | -       | 120,528 |

## 45. Financial instruments

### 45.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, deposits at financial institutions, receivables from Clearing House, securities and derivatives business receivables, factoring receivables, finance lease receivables, hire purchase receivables, loans receivable, other receivables, bank overdraft and short-term loans from financial institutions, payables to Clearing House, securities and derivatives business payables, excess receipts awaiting to repay, other payables, factoring payables, retention from factoring, liabilities under finance lease agreements, subordinated debentures, and bills of exchange. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Company and its subsidiaries are exposed to credit risk primarily with respect to deposits at financial institutions, receivables from Clearing House, securities and derivatives business receivables, factoring receivables, finance lease receivables, hire purchase receivables, loans receivable, and other receivables. The management manages the credit risk with respect to deposits at financial institutions, receivables from Clearing House, securities and derivatives business receivables, factoring receivables, finance lease receivables, hire purchase receivables, loans receivables, and other receivables by setting up various measures to evaluate credit risks of all new customers when apply for new accounts to determining a proper credit line. The subsidiary also reviews customers' credit lines continuously. To control risk in lending for securities purchase, the subsidiary evaluates the customers' financial status and ability to repay as well as the customers' current trading patterns. The subsidiary also

limits the list of securities that can be purchased on margin, and considers the securities fundamentals and liquidity. In addition, the management limits the amount of securities that can be purchased and its concentration in any particular securities. In addition, the management manages the credit risk with respect to retention from factoring and loans receivable by adopting appropriate credit control policies and procedures whereby the subsidiary analyses credit details of customers and follows up customers with overdue accounts in accordance with credit control practices, and considers the amount of retention from factoring and other obligation assets as collateral for each customer according to the assessed credit risk. Therefore, the Company and its subsidiaries do not expect to incur material financial losses.

In addition, the subsidiaries do not have high concentrations of credit risk of retail client since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts as follows:

(Unit: Thousand Baht)

|                                                                                                                        | Consolidated<br>financial statements |           | Separate<br>financial statements |         |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-----------|----------------------------------|---------|
|                                                                                                                        | 2016                                 | 2015      | 2016                             | 2015    |
| <b>Financial assets</b>                                                                                                |                                      |           |                                  |         |
| Deposits at financial institutions in the name of<br>Company, subsidiaries and on behalf of customers<br>of subsidiary | 2,685,994                            | 2,370,702 | 373,408                          | 270,360 |
| Short-term investments - fixed deposit                                                                                 | 5,069                                | 400,600   | 5,069                            | 400,600 |
| Receivables from Clearing House                                                                                        | 521,539                              | 92,538    | -                                | -       |
| Securities and derivatives business receivables                                                                        | 1,706,644                            | 1,169,920 | -                                | -       |
| Factoring receivables                                                                                                  | 2,116,439                            | 2,349,173 | -                                | -       |
| Finance lease receivables                                                                                              | 60,936                               | -         | -                                | -       |
| Hire purchase receivables                                                                                              | 1,879                                | -         | -                                | -       |
| Loans receivable                                                                                                       | 30,660                               | 5,421     | -                                | -       |
| Loans to related parties                                                                                               | -                                    | -         | 61,316                           | 287,560 |
| Other receivables                                                                                                      | 33,955                               | 22,933    | 15,395                           | 696     |
| Restricted deposit                                                                                                     | 228                                  | 4,400     | -                                | 4,400   |

### **Interest rate risk**

The Company and its subsidiaries' exposure to interest rate risk relate primarily to deposits at financial institutions, securities business receivables - credit balance accounts, factoring receivables, finance lease receivables, hire purchase receivables, loans receivable, borrowings, liabilities under finance lease agreements, subordinated debentures, and bills of exchange. However, since the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2016 and 2015 classified by type of interest rates 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)

| Consolidated financial statements             |                        |                             |               |             |              |             |       |                                   |              |
|-----------------------------------------------|------------------------|-----------------------------|---------------|-------------|--------------|-------------|-------|-----------------------------------|--------------|
| As at 31 December 2016                        |                        |                             |               |             |              |             |       |                                   |              |
| Outstanding balances of financial instruments |                        |                             |               |             |              |             |       |                                   |              |
|                                               | Floating interest rate | Repricing or maturity dates |               |             |              | No interest | Total | Interest rate (Percent per annum) |              |
|                                               |                        | At call                     | Within 1 year | 1 - 5 years | Over 5 years |             |       | Floating rate                     | Fixed rate   |
| <b>Financial instruments - assets</b>         |                        |                             |               |             |              |             |       |                                   |              |
| Cash and cash equivalents                     | 866                    | -                           | -             | -           | -            | 73          | 939   | 0.50 - 1.10                       | 1.41 - 1.52  |
| Short-term investments                        | -                      | -                           | 5             | -           | -            | 397         | 402   | -                                 | 1.70 - 2.05  |
| Receivables from Clearing House               | -                      | -                           | -             | -           | -            | 522         | 522   | -                                 | -            |
| Securities and derivatives                    |                        |                             |               |             |              |             |       |                                   |              |
| business receivables                          | 1,405                  | -                           | -             | -           | -            | 302         | 1,707 | 5.50 - 18.00                      | -            |
| Factoring receivables                         | -                      | -                           | 2,116         | -           | -            | -           | 2,116 | -                                 | 5.85 - 15.00 |
| Finance lease receivables                     | -                      | -                           | 12            | 49          | -            | -           | 61    | 5.35 - 7.25                       | -            |
| Hire purchase receivables                     | -                      | -                           | 2             | -           | -            | -           | 2     | 9                                 | -            |
| Loans receivable                              | -                      | -                           | 6             | 25          | -            | -           | 31    | -                                 | 4.50 - 8.50  |
| Other receivables                             | -                      | -                           | -             | -           | -            | 34          | 34    | -                                 | -            |
|                                               | 2,271                  | -                           | 2,141         | 74          | -            | 1,328       | 5,814 |                                   |              |
| <b>Financial instruments - liabilities</b>    |                        |                             |               |             |              |             |       |                                   |              |
| Short-term loans from financial institutions  | 1,545                  | 330                         | 60            | -           | -            | -           | 1,935 | -                                 | Note 23      |
| Payables to Clearing House                    | -                      | -                           | -             | -           | -            | 5           | 5     | -                                 | -            |
| Securities and derivatives                    |                        |                             |               |             |              |             |       |                                   |              |
| business payables                             | -                      | -                           | -             | -           | -            | 697         | 697   | -                                 | -            |
| Excess receipts awaiting to pay               | -                      | -                           | -             | -           | -            | 58          | 58    | -                                 | -            |
| Other payables                                | -                      | -                           | -             | -           | -            | 32          | 32    | -                                 | -            |
| Retention from factoring                      | -                      | -                           | -             | -           | -            | 53          | 53    | -                                 | -            |
| Liabilities under finance lease agreements    | -                      | -                           | 16            | 39          | -            | -           | 55    | 5.19 - 13.72                      | -            |
| Subordinated debentures                       | -                      | -                           | -             | 200         | -            | -           | 200   | -                                 | 5.00         |
| Bills of exchange                             | -                      | -                           | 460           | -           | -            | -           | 460   | -                                 | Note 29      |
|                                               | 1,545                  | 330                         | 536           | 239         | -            | 845         | 3,495 |                                   |              |

(Unit: Million Baht)

Separate financial statements

As at 31 December 2016

Outstanding balances of financial instruments

|                                                   | Floating | Repricing or maturity dates |        |       |         |          |       | Interest rate<br>(Percent per annum) |             |
|---------------------------------------------------|----------|-----------------------------|--------|-------|---------|----------|-------|--------------------------------------|-------------|
|                                                   | interest |                             | Within | 1 - 5 | Over    | No       |       | Floating                             | Fixed       |
|                                                   | rate     | At call                     | 1 year | years | 5 years | interest | Total | rate                                 | rate        |
| <b><u>Financial instruments - assets</u></b>      |          |                             |        |       |         |          |       |                                      |             |
| Cash and cash equivalents                         | 373      | -                           | -      | -     | -       | -        | 373   | 0.50                                 | 1.50        |
| Short-term investments                            | -        | -                           | 5      | -     | -       | 25       | 30    | -                                    | 1.70 - 2.05 |
| Loans to related parties                          | -        | -                           | 61     | -     | -       | -        | 61    | -                                    | 2.50        |
| Other receivables                                 | -        | -                           | -      | -     | -       | 15       | 15    | -                                    | -           |
|                                                   | 373      | -                           | 66     | -     | -       | 40       | 479   |                                      |             |
| <b><u>Financial instruments - liabilities</u></b> |          |                             |        |       |         |          |       |                                      |             |
| Other payables                                    | -        | -                           | -      | -     | -       | 2        | 2     | -                                    | -           |
|                                                   | -        | -                           | -      | -     | -       | 2        | 2     |                                      |             |

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2015

Outstanding balances of financial instruments

|                                              |                              |   | Repricing or maturity dates |                 |                 |                |       |                  | Interest rate<br>(Percent per annum) |  |
|----------------------------------------------|------------------------------|---|-----------------------------|-----------------|-----------------|----------------|-------|------------------|--------------------------------------|--|
|                                              | Floating<br>interest<br>rate |   | Within<br>At call           | 1 - 5<br>1 year | Over<br>5 years | No<br>interest | Total | Floating<br>rate | Fixed<br>rate                        |  |
| <b>Financial instruments - assets</b>        |                              |   |                             |                 |                 |                |       |                  |                                      |  |
| Cash and cash equivalents                    | 632                          | - | 239                         | -               | -               | 63             | 934   | 0.50 - 1.10      | 1.41 - 1.52                          |  |
| Short-term investments                       | -                            | - | 401                         | -               | -               | 164            | 565   | -                | 1.70 - 2.05                          |  |
| Receivables from Clearing House              | -                            | - | -                           | -               | -               | 93             | 93    | -                | -                                    |  |
| Securities and derivatives                   | 956                          | - | -                           | -               | -               | 214            | 1,170 | 5.50 - 18.00     | -                                    |  |
| business receivables                         | -                            | - | 2,349                       | -               | -               | -              | 2,349 | -                | 5.85 - 15.00                         |  |
| Factoring receivables                        | -                            | - | 5                           | -               | -               | -              | 5     | -                | 6.00 - 9.93                          |  |
| Loans receivables                            | -                            | - | -                           | -               | -               | 23             | 23    | -                | -                                    |  |
| Other receivables                            | -                            | - | 4                           | -               | -               | -              | 4     | -                | 1.70                                 |  |
| Restricted deposit                           | 1,588                        | - | 2,998                       | -               | -               | 557            | 5,143 |                  |                                      |  |
| <b>Financial instruments - liabilities</b>   |                              |   |                             |                 |                 |                |       |                  |                                      |  |
| Short-term loans from financial institutions | 1,230                        | - | -                           | -               | -               | -              | 1,230 | -                | Note 23                              |  |
| Payables to Clearing House                   | -                            | - | -                           | -               | -               | 126            | 126   | -                | -                                    |  |
| Securities and derivatives                   |                              |   |                             |                 |                 |                |       |                  |                                      |  |
| business payables                            | -                            | - | -                           | -               | -               | 196            | 196   | -                | -                                    |  |
| Excess receipts awaiting to repay            | -                            | - | -                           | -               | -               | 18             | 18    | -                | -                                    |  |
| Other payables                               | -                            | - | -                           | -               | -               | 6              | 6     | -                | -                                    |  |
| Retention from factoring                     | -                            | - | -                           | -               | -               | 46             | 46    | -                | -                                    |  |
| Subordinated debentures                      | -                            | - | 200                         | -               | -               | -              | 200   | -                | 5.00                                 |  |
| Bills of exchange                            | -                            | - | 637                         | -               | -               | -              | 637   | -                | Note 29                              |  |
|                                              | 1,230                        | - | 837                         | -               | -               | 392            | 2,459 |                  |                                      |  |

| Separate financial statements                 |                        |                             |               |             |              |             |       |                                      |             |
|-----------------------------------------------|------------------------|-----------------------------|---------------|-------------|--------------|-------------|-------|--------------------------------------|-------------|
| As at 31 December 2015                        |                        |                             |               |             |              |             |       |                                      |             |
| Outstanding balances of financial instruments |                        |                             |               |             |              |             |       |                                      |             |
|                                               | Floating interest rate | Repricing or maturity dates |               |             |              |             | Total | Interest rate<br>(Percent per annum) |             |
|                                               |                        | At call                     | Within 1 year | 1 - 5 years | Over 5 years | No interest |       | Floating rate                        | Fixed rate  |
|                                               |                        |                             |               |             |              |             |       |                                      |             |
| <b>Financial instruments - assets</b>         |                        |                             |               |             |              |             |       |                                      |             |
| Cash and cash equivalents                     | 268                    | -                           | -             | -           | -            | 2           | 270   | 0.50                                 | 1.5         |
| Short-term investments                        | -                      | -                           | 401           | -           | -            | -           | 401   | -                                    | 1.70 - 2.05 |
| Loans to related parties                      | -                      | -                           | 288           | -           | -            | -           | 288   | -                                    | 2.20 - 2.50 |
| Other receivable                              | -                      | -                           | -             | -           | -            | 1           | 1     | -                                    | -           |
| Restricted deposit                            | -                      | -                           | 4             | -           | -            | -           | 4     | -                                    | 1.70        |
|                                               | 268                    | -                           | 693           | -           | -            | 3           | 964   |                                      |             |
| <b>Financial instruments - liabilities</b>    |                        |                             |               |             |              |             |       |                                      |             |
| Other payables                                | -                      | -                           | -             | -           | -            | 1           | 1     | -                                    | -           |
|                                               | -                      | -                           | -             | -           | -            | 1           | 1     |                                      |             |

### Liquidity risk

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

The Company and its subsidiaries' cash inflow and outflow are monitored by the treasury department in order to prepare daily cash usage plan. The Company and its subsidiaries control size of any business transaction which may increase our risk of incurring unexpected liability to make cash payment and also considers the impact to internal liquidity and net capital ratio of the Company and its subsidiaries. The subsidiary maintains a net capital ratio in accordance with the rules laid down by the Office of the Securities and Exchange Commission. In addition, the Company and its subsidiaries have a policy to manage their liquidity to ensure that they have sufficient liquidity to meet both present and future requirements, under the supervision of the Risk Management Committee.

As at 31 December 2016 and 2015, the subsidiary was able to maintain a net capital ratio exceeding the requirement laid down by the Office of Securities and Exchange Commission.

The periods of time from the end of reporting date to the maturity dates of financial instruments as of 31 December 2016 and 2015 follows:

(Unit: Million Baht)

| Consolidated financial statements             |         |                  |                |                 |                |       |
|-----------------------------------------------|---------|------------------|----------------|-----------------|----------------|-------|
| As at 31 December 2016                        |         |                  |                |                 |                |       |
| Outstanding balances of financial instruments |         |                  |                |                 |                |       |
|                                               | At call | Within<br>1 year | 1 - 5<br>years | Over<br>5 years | No<br>maturity | Total |
| <b>Financial instruments - assets</b>         |         |                  |                |                 |                |       |
| Cash and cash equivalents                     | 939     | -                | -              | -               | -              | 939   |
| Short-term investments                        | -       | 30               | -              | -               | 372            | 402   |
| Receivables from Clearing                     |         |                  |                |                 |                |       |
| House                                         | -       | 522              | -              | -               | -              | 522   |
| Securities and derivatives                    |         |                  |                |                 |                |       |
| business receivables                          | -       | 302              | -              | -               | 1,405          | 1,707 |
| Factoring receivables                         | -       | 2,116            | -              | -               | -              | 2,116 |
| Finance lease receivables                     | -       | 12               | 49             | -               | -              | 61    |
| Hire purchase receivables                     | -       | 2                | -              | -               | -              | 2     |
| Loans receivable                              | -       | 6                | 25             | -               | -              | 31    |
| Other receivables                             | -       | 34               | -              | -               | -              | 34    |
|                                               | 939     | 3,024            | 74             | -               | 1,777          | 5,814 |

(Unit: Million Baht)

| Consolidated financial statements             |         |                  |                |                 |                |       |
|-----------------------------------------------|---------|------------------|----------------|-----------------|----------------|-------|
| As at 31 December 2016                        |         |                  |                |                 |                |       |
| Outstanding balances of financial instruments |         |                  |                |                 |                |       |
|                                               | At call | Within<br>1 year | 1 - 5<br>years | Over<br>5 years | No<br>maturity | Total |
| <b>Financial instruments - liabilities</b>    |         |                  |                |                 |                |       |
| Short-term loans from                         |         |                  |                |                 |                |       |
| financial institutions                        | 330     | 1,605            | -              | -               | -              | 1,935 |
| Payables to Clearing House                    | -       | 5                | -              | -               | -              | 5     |
| Securities and derivatives                    |         |                  |                |                 |                |       |
| business payables                             | -       | 697              | -              | -               | -              | 697   |
| Excess receipts awaiting to                   |         |                  |                |                 |                |       |
| repay                                         | -       | 58               | -              | -               | -              | 58    |
| Other payables                                | 2       | 4                | -              | -               | 26             | 32    |
| Retention from factoring                      | -       | -                | -              | -               | 53             | 53    |
| Liabilities under finance                     |         |                  |                |                 |                |       |
| lease agreements                              | -       | 16               | 39             | -               | -              | 55    |
| Subordinated debentures                       | -       | -                | 200            | -               | -              | 200   |
| Bills of exchange                             | -       | 460              | -              | -               | -              | 460   |
|                                               | 332     | 2,845            | 239            | -               | 79             | 3,495 |

(Unit: Million Baht)

| Separate financial statements                 |         |                  |                |                 |                |       |
|-----------------------------------------------|---------|------------------|----------------|-----------------|----------------|-------|
| As at 31 December 2016                        |         |                  |                |                 |                |       |
| Outstanding balances of financial instruments |         |                  |                |                 |                |       |
|                                               | At call | Within<br>1 year | 1 - 5<br>years | Over<br>5 years | No<br>maturity | Total |
| <b>Financial instruments - assets</b>         |         |                  |                |                 |                |       |
| Cash and cash equivalents                     | 373     | -                | -              | -               | -              | 373   |
| Short-term investments                        | -       | 30               | -              | -               | -              | 30    |
| Loans to related parties                      | -       | 61               | -              | -               | -              | 61    |
| Other receivables                             | -       | 15               | -              | -               | -              | 15    |
|                                               | 373     | 106              | -              | -               | -              | 479   |
| <b>Financial instruments - liabilities</b>    |         |                  |                |                 |                |       |
| Other payables                                | -       | 2                | -              | -               | -              | 2     |
|                                               | -       | 2                | -              | -               | -              | 2     |

(Unit: Million Baht)

| Consolidated financial statements             |         |                  |                |                 |                |       |
|-----------------------------------------------|---------|------------------|----------------|-----------------|----------------|-------|
| As at 31 December 2015                        |         |                  |                |                 |                |       |
| Outstanding balances of financial instruments |         |                  |                |                 |                |       |
|                                               | At call | Within<br>1 year | 1 - 5<br>years | Over<br>5 years | No<br>maturity | Total |
| <b>Financial instruments - assets</b>         |         |                  |                |                 |                |       |
| Cash and cash equivalents                     | 695     | 239              | -              | -               | -              | 934   |
| Short-term investments                        | -       | 401              | -              | -               | 164            | 565   |
| Receivables from Clearing                     |         |                  |                |                 |                |       |
| House                                         | -       | 93               | -              | -               | -              | 93    |
| Securities and derivatives                    |         |                  |                |                 |                |       |
| business receivables                          | -       | 214              | -              | -               | 956            | 1,170 |
| Factoring receivables                         | -       | 2,349            | -              | -               | -              | 2,349 |
| Loans receivable                              | -       | 5                | -              | -               | -              | 5     |
| Other receivables                             | 7       | 16               | -              | -               | -              | 23    |
| Restricted deposit                            | -       | 4                | -              | -               | -              | 4     |
|                                               | 702     | 3,321            | -              | -               | 1,120          | 5,143 |

(Unit: Million Baht)

| Consolidated financial statements             |         |                  |                |                 |                |       |
|-----------------------------------------------|---------|------------------|----------------|-----------------|----------------|-------|
| As at 31 December 2015                        |         |                  |                |                 |                |       |
| Outstanding balances of financial instruments |         |                  |                |                 |                |       |
|                                               | At call | Within<br>1 year | 1 - 5<br>years | Over<br>5 years | No<br>maturity | Total |
| <b>Financial instruments - liabilities</b>    |         |                  |                |                 |                |       |
| Short-term loans from                         |         |                  |                |                 |                |       |
| financial institutions                        | -       | 1,230            | -              | -               | -              | 1,230 |
| Payables to Clearing House                    | -       | 126              | -              | -               | -              | 126   |
| Securities and derivatives                    |         |                  |                |                 |                |       |
| business payables                             | -       | 196              | -              | -               | -              | 196   |
| Excess receipts awaiting to                   |         |                  |                |                 |                |       |
| repay                                         | -       | 18               | -              | -               | -              | 18    |
| Other payables                                | -       | 6                | -              | -               | -              | 6     |
| Retention from factoring                      | -       | -                | -              | -               | 46             | 46    |
| Subordinated debentures                       | -       | 200              | -              | -               | -              | 200   |
| Bills of exchange                             | -       | 637              | -              | -               | -              | 637   |
|                                               | -       | 2,413            | -              | -               | 46             | 2,459 |

(Unit: Million Baht)

| Separate financial statements                 |         |                  |                |                 |                |       |
|-----------------------------------------------|---------|------------------|----------------|-----------------|----------------|-------|
| As at 31 December 2015                        |         |                  |                |                 |                |       |
| Outstanding balances of financial instruments |         |                  |                |                 |                |       |
|                                               | At call | Within<br>1 year | 1 - 5<br>years | Over<br>5 years | No<br>maturity | Total |
| <b>Financial instruments - assets</b>         |         |                  |                |                 |                |       |
| Cash and cash equivalents                     | 270     | -                | -              | -               | -              | 270   |
| Short-term investments                        | -       | 401              | -              | -               | -              | 401   |
| Loans to related parties                      | -       | 288              | -              | -               | -              | 288   |
| Other receivables                             | -       | 1                | -              | -               | -              | 1     |
| Restricted deposit                            | -       | 4                | -              | -               | -              | 4     |
|                                               | 270     | 694              | -              | -               | -              | 964   |
| <b>Financial instruments - liabilities</b>    |         |                  |                |                 |                |       |
| Other payables                                | -       | 1                | -              | -               | -              | 1     |
|                                               | -       | 1                | -              | -               | -              | 1     |

### **Market risk**

Factors of political and economic issues both internally and externally have an impact on the capital market conditions. Especially, the volatility of price movement affects on the gain or loss on the investment. However, the Company and its subsidiaries manage market risk to maintain it at an acceptable level, by setting investment and risk management policies that stipulate appropriate maximum risk exposure limits and require the existence of a unit responsible for monitoring and managing market risk in accordance with the Company and its subsidiaries' policies.

### **45.2 Fair values of financial instruments**

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity or bare floating interest rates or fixed interest rates which are close to the market rate, including cash and cash equivalents, receivables from Clearing House, securities and derivatives business receivables, factoring receivables, finance lease receivables, hire purchase receivables, loans receivable, other receivables, fees and services income receivables, bank overdraft and short-term loans from financial institutions, payable to Clearing House, securities and derivatives business payables, excess receipts awaiting the repay, liabilities under finance lease agreements, bills of exchange and retention from factoring, their carrying amounts in the statement of financial position approximate their fair values.
- b) For marketable equity securities, their fair value is generally derived from quoted market prices.
- c) For fixed rate debentures, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions. However, their fair value is not materially different from the amounts presented in the statement of financial position.

During the current period, there were no transfers within the fair value hierarchy.

### **46. 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 2016, the Group's debt-to-equity ratio was 0.98:1 (2015: 0.77:1) and the Company's was 0.003:1 (2015: 0.004:1).

#### **47. Events after the reporting period**

- 1) On 17 February 2017, the Board of Directors of AIRA Property Public Company Limited ("the subsidiary") passed a resolution to make additional investment in Aspiration One Company Limited in proportion to its existing shareholding (60%), amounting to Baht 300 million. This is expected to be paid in two portions of Baht 150 million each, in April 2017 and July 2017.
- 2) On 22 February 2017, the Board of Directors of AIRA Factoring Public Company Limited ("the subsidiary") passed a resolution to propose a dividend payment of Baht 0.01 per share from the profit of 2016, or a total of Baht 16 million, for approval by the Company's Board of Directors. The payment of such dividend is to be made pending approval by resolution of meetings of the Company's Board of Directors and the subsidiary's shareholders.
- 3) On 24 February 2017, a meeting of the Board of Directors of the Company approved the resolutions as follow.
  - 3.1) To approve the payment of an annual dividend from net profit 2016 of Baht 0.01 per share, totaling Baht 56.57 million. Payment will be made on 9 May 2017.
  - 3.2) To approve investment of Baht 450 million in the additional ordinary shares of AIRA & AIFUL Public Company Limited ("the associate"), consisting of 450 million ordinary shares of Baht 1 each, leaving its percentage shareholding in the subsidiary unchanged. The Company expects to make payment for the shares in May 2017.
  - 3.3) To approve an investment in AIRA ASSET MANAGEMENT Company Limited, which operates an asset management business, providing private fund, mutual fund management and securities brokerage of investment units services. The amount to be invested is Baht 100 million, divided into 10 million shares with a par value of Baht 10 each, with the Company holding 99.99% of the shares.

#### **48. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2017.

## 1. Audit Fee

In the year 2016, the Company and its subsidiaries paid the Audit Fee to EY Office Limited and the related person or business to the auditor and the audit firm, as follows:

| Company and its subsidiaries                      | Auditor's name    | Audit Fee<br>(Baht) | Audit Fee<br>(Singapore Dollars) |
|---------------------------------------------------|-------------------|---------------------|----------------------------------|
| AIRA Capital Public Company Limited               | EY Office Limited | 500,000             | -                                |
| AIRA Securities Public Company Limited            | EY Office Limited | 1,250,000           | -                                |
| AIRA Factoring Public Company Limited             | EY Office Limited | 870,000             | -                                |
| AIRA Advisory Company Limited                     | EY Office Limited | 190,000             | -                                |
| AIRA International Advisory (Singapore) Pte. Ltd. | Ernst & Young LLP | -                   | 14,000                           |
| AIRA Property Company Limited                     | EY Office Limited | 100,000             | -                                |
| Aspiration One Company Limited                    | EY Office Limited | 300,000             | -                                |
| AIRA Leasing Public Company Limited               | EY Office Limited | 800,000             | -                                |
| <b>Audit Fee</b>                                  |                   | <b>4,010,000</b>    | <b>14,000</b>                    |

**Note:** The Audit Fee does not include other actual expenses which are incurred from the audit - such as travelling and photocopying; for which such expenses the auditor will collect from actual expenses.

## 2. Non-Audit Fee

In the year 2016, the Company and its subsidiaries have not paid the Non-Audit Fee to the related person or business to the auditor and the audit firm.

### Company's Policy

AIRA and its subsidiaries value environmental and social responsibility by getting involve in several social responsibility activities. In order to be part of social responsible organization which is the main part of our mission.

### Activities for society and the environment (after process)



“AIRA for Society to sustainability development”, the social responsible project from AIRA group which is hold for the 2nd year of this project in 2016. For this year, AIRA group management team representatives and staffs donated fund, books, school supplies and sport equipments to Pak Khlong chuay Yai School, Bang Bo District, Samut Prakarn Province on July 15th, 2016.

AIRA Group management team's representatives hold social responsibility activities to follow the ideas of sustainable development under CSR activities of SET.



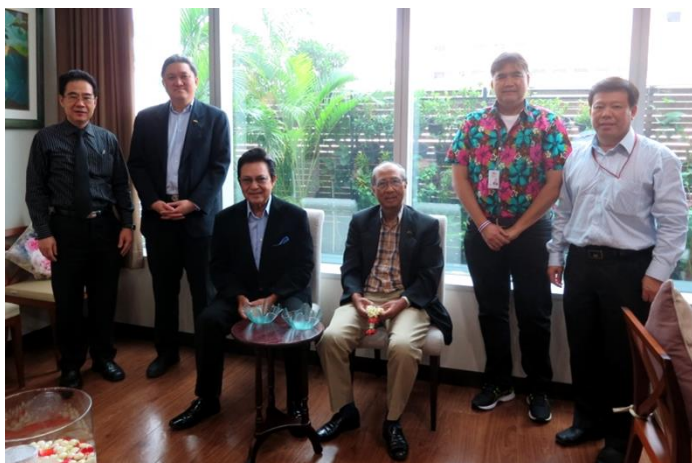
AIRA Capital Public Company Limited donated for The 43rd Red Cross Charity Concert 2016 which was organized by Thai Red Cross Society in collaborate with the Royal Thai Navy, to celebrate the 70th Anniversary of His Majesty the King ‘s accession to the throne and the 70th Birthday of Her Majesty the Queen. All Revenue from this concert will be donated to the Thai Red Cross Society.



Corporate Directors of AIRA groups announce company' performance in the Annual General meeting 2016. Meanwhile, reveal the director chairman of AIRA Capital PCL on April 25, 2016 At Bussaba Room, Mandarin Bangkok Hotel. From this AGM meeting, AIRA was evaluated as "Excellent" level or 100 point from the Annual General Meeting Evaluation Campaign from Thai Investor Association.



AIRA Capital Public Company Limited signed joint venture agreement with Kenedix Asia Private Limited; The leading Asset Management firm from Japan and Eugene Investment & Securities; Korea's Number 1 Financial and Construction Group of Companies in order to develop its capacity in property aspect of AIRA Group.



AIRA's Executive Managers and staffs celebrate Thai New Year (Water Festival) by traditionally pouring water to the elderly directors to pay respects and being blessed to cultivate value of Thai culture.



Directors, Executive Management team and staffs of AIRA Group led by Khum Pakorn Malakul Na Ayuthaya attended the benefaction of 10th Anniversary of AIRA group at AIRA Capital Public Company Limited head office.



Khun Pakorn Malakul Na Ayuthaya, board of directors, Executive managers and Staffs of AIRA Group of Companies attend the mourning ceremony in memorable of His Majesty the King Bhumibol Adulyadej at AIRA Capital Public Company Limited Head Office.



AIRA Badminton Team attended “Broker Badminton Championship” for the Royal Trophy of HRH Princess Maha Chakri Sirindhorn on February 20-21, 2016, which is the 1st match of AIRA Team and AIRA could went through the last 8 team. This experience will be the motivate AIRA Badminton team to put more practice and concentration for the future match.



AIRA Securities Public Company Limited celebrates the success of AIRA Football team winning Royal Trophy of HRH Princess Maha Chakri Sirindhorn in Singha Broker Cup by beating Krungsri Securities at score 3:0.



The executive officers of AIRA Capital Public Company Limited and its subsidiaries welcomed group of retail investors who are interested in AIRA and AF shares, for visiting and discussing an idea with the executive officers of AIRA Group on July 15, 2016.



Mr. Suttiporn Tantikul, Managing Director, AIRA Capital Public Company Limited leads AIRA team to attend “SET BULL RUN mini marathon 2016” by The Stock Exchange of Thailand. With the objective of creating a good relationship among the corporate members and encourage people to lead a healthier lifestyle. The activity was held on 28th February 2016, at the Stock Exchange of Thailand Building - Ratchadapisek Road.



AIRA Group joined the Thailand sustainable development foundation network, Crown Property Bureau. In order to stimulate Thai society to concern about social responsibility and encourage a goodwill value to creates the change of attitude, behavior and society coexistence under the sustainable economic which contributes the social and nation development, by broadcasting sarcastic advertisement about bad behavior of Thai society in 4 aspects, which are finance, society, culture and environment. Aira Group creates the campaign about mindfully transaction making, which we encourage our staffs and customers to read and understand all condition and regulation in order to be protected from defrauding. And AIRA staff will be trained to carefully well inform their customers in every transaction made.



**AIRA Capital Public Company Limited**

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