

Annual Report 2017



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**Independent Auditor's Report and Financial statement for the year ended 31 December 2017 (including with CD)*

VISION & MISSION

VISION

“ 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

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

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

MESSAGE FROM THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER



Mr. Pakorn Malakul na Ayudhya
Chairman of the Board of Director

Mrs. Naline Ngamsetthamas
Chief Executive Officer

To Shareholders;

In 2017, We, AIRA Capital Public Company Limited has continuously expanded our businesses under the core strategy, to be the financial group in various financial services. We currently has operated 11 affiliated companies and developed their capacities for sustainable growth with strong fundamental. We have also expanded our networks to the international and also emphasized the relationship in both domestic and international partners by exchange knowledge of technology and modern financial innovation for develop our products and services which leads us to be ready in business competitive according to our long term business plans.

In 2017, AIRA Group has operated the following business activities to accord with the main target which is being the leader in financial businesses.

- **AIRA & AIFUL Public Company Limited (A&A)** – A&A's registered capital at Baht 2,500 Million increased to Baht 4,000 Million in order to upgrade the capacity in business operation. In present, A&A has expanded its branches and booths all over Thailand, both in Bangkok and up-country, and provided services for the clients including office employees and factory workers which capable increase A&A client base to 285,000 persons at the end of year 2017.

- **AIRA Securities Public Company Limited (AS)** – AS has improved the management and quality of research and services for the clients. AS has been giving priority to cooperate with anti corruption and obtained the certificate of being the member of Thailand's Private Sector Collective Action Coalition Against Corruption which was the successful significant regarding to our intention in protesting any form of corruption.

- **AIRA Factoring Public Company Limited (AF) and AIRA Leasing Public Company Limited (AIL)**

– AF and AIL have expanded their business to support the business clients’ demand for SME business group. Therefore, AF and AIL have increased and boosted their services efficiently by improving the core system to accord with modern technology for supporting electronic factoring to high quality services.

- **AIRA Venture Capital Limited (AVC)** – AVC started its operation with the objective of joint-venture for investment in the companies which in creating financial and technology innovation.

- **Aspiration One Company Limited (ASP1)** – Under AIRA Property Public Company Limited’s Management, ASP1 started the construction of the first office building Project at Ratchathewi intersection which is 27 Floors office building in the prime area of central Bangkok. It is expected that piling process will be completed in this April 2018. On the auspicious occasion of the construction, the ground-breaking ceremony was held on September 2017. The building construction will be finished in 2019.

- **Travelex (Thailand) Limited (TVXT)** – TVXT started foreign currency exchange services by opening the first store at Wall Street Tower, Surawong Road. TVXT also has a plan to expand more branches in business area, department stores, and airport.

- **AIRA Asset Management Limited (AIAM)** – AIAM commenced wealth and investment management business by a professional management team with long experiences in financial investment.

From the above mentioned, it is explicated that AIRA Group is continuously growing not only the determination of potential improvement in the affiliated companies and the associated companies, but the management team also concerns on managing risks of our investment by providing the compliance policy and corporate governance policy and regularly closely monitoring our Group’s operation, which will be the major activities to reach Good Governance and doing business with transparency and highest value for the shareholders.

On behalf of AIRA Capital Public Company Limited and our employees, we are grateful to the shareholders, business partners, clients, financial institutions and all concerned for your trust and support our AIRA Group and be the part of our success to move forward to be strong and sustainable as a “Leading Company in Financial Group”.



Mr. Pakorn Malakul Na Ayudhya Age 76 Years / Thai

Title Independent Director and Chairman of the Board of Director

Date of appointment February 25, 2015

Shareholding None, Spouse 982,316 shares (0.0163%) as of December 31, 2017

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
- 2009 – present Chairman of the Board of Directors, TSFC Securities Public Company Limited
- 2007 – 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 Comptroller General's Department
- 2012 – Present Vice Chairman Institute of Research and Development for Public Enterprise

Work Experience (5 Years Past Experiences)

- 2014 – 2015 Chairman MPG Corporate Public Company Limited
- 2007 – 2009 Chairman Stock Exchange of Thailand
- 2000 – 2002 Deputy Governor 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 70 Years / Thai

Title Independent Director and Chairman of Audit Committee

Date of appointment April 22, 2010

Shareholding 975,148 shares (0.0161%) as of December 31, 2017

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/ 2008
- 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



Associate Professor Niputh Jitprasonk Age 75 Years / Thai

Title Director, Chairman of Nomination and remuneration Committee and Risk Management Committee

Date of appointment August 27, 2010

Shareholding 466,574 shares (0.0077%)
as of December 31, 2017

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 AIRA Capital Public Company Limited
- 2009– present Independent Director, and Chairman of Audit Committee, and Chairman of Corporate Good Governance GJ Steel Public Company Limited
- 2007 – present Independent Director and Audit Committee, 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 70 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 367,021 shares (0.0061%)
as of December 31, 2017

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, AIRA Capital Public Company Limited
- 2010 – present Independent Director and Good Governance Committee, Samart Corporation Public Company Limited
- 2005– present Independent Director, Audit Committee and Remuneration Committee, 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



Mrs. Kongkeaw Piamduaytham Age 66 Years / Thai

Title Authorized Director and Chairman of Good governance Committee

Date of appointment August 27, 2010

Shareholding 17,851,906 shares (0.2956%) as of December 31, 2017

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



Mrs. Chiraporn Chemnasiri Age 69 Years / Thai

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

Date of appointment April 22, 2010

Shareholding 599,882 shares, Spouse 9,450,508 shares (0.1664%) as of December 31, 2017

Education / Training

- Bachelor of Accounting, Chulalongkorn University

Director Training from Thai Institute of Directors Association (IOD)

- Advanced Audit Committee Program Class (AACP) 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 Pipatanasern Age 66 Years / Thai

Title Independent Director and Audit Committee

Date of appointment April 22, 2010

Shareholding 546,952 shares, Spouse 982,316 shares (0.3099%) as of December 31, 2017

Education / Training

- Bachelor of Accounting (2nd Honors), Faculty of Commerce and Accountancy, Thammasat University
- MS (Accounting) , Thammasat University
- Certificate Thammasart 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



Mr. Anant Sirisaengtaksin Age 66 Years / Thai

Title Independent Director and Member of Risk Management Committee

Date of appointment August 14, 2014

Shareholding None (as of December 31, 2017)

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 (AAPC) 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



M.R. Kasemvisuth Visuthi Age 75 Years / Thai

Title Authorized Director and Nomination and Remuneration Committee

Date of appointment April 22, 2010

Shareholding 866,496 shares (0.0143%)
as of December 31, 2017

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 Karnchanapunyapong Age 58 Years / Thai

Title Authorized Director, Investment Committee and Corporate Good Governance Committee

Date of appointment February 23, 2010

Shareholding 666,536 shares (0.0110%)
as of December 31, 2017

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 59 Years / Thai

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

Date of appointment April 22, 2010

Shareholding 331,698,230 shares (5.4922%) as of December 31, 2017

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

- 2017 – Present Director and Director of the Executive Committee Nok Airline Public Company Limited
- 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

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

- 2017 – Present Authorized Director and Chairman of the Board of Directors Nok Scoot Airline Company Limited
- 2017 – Present Director Nok Mangkang Company Limited
- 2017 – Present Authorized Director AIRA Asset Management Limited
- 2016 – Present Authorized Director Traveler (Thailand) Limited
- 2016 – Present Chairman of the Board of Directors, Authorized Director and Chairman of the Executive Director 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
- 2013 – 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 39 Years / Thai

Title Authorized Director

Date of appointment April 23, 2013

Shareholding 165,000,000 shares (2.7320%) as of December 31, 2017

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. Nalinee Ngamsetthamas

Age 59 Years / Thai

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

Date of appointment April 22, 2010

Shareholding 331,698,230 shares (5.4922%)
as of December 31, 2017

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

- | | |
|----------------|--|
| 2017 – Present | Director and Director of the Executive Committee
Nok Airline Public Company Limited |
| 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 |

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

- | | |
|----------------|---|
| 2017 – Present | Authorized Director and Chairman of the Board of Directors
Nok Scoot Airline Company Limited |
| 2017 – Present | Director
Nok Mangkang Company Limited |
| 2017 – Present | Authorized Director
AIRA Asset Management Limited |
| 2016 – Present | Authorized Director
Travellex (Thailand) Limited |
| 2016 – Present | Chairman of the Board of Directors, Authorized Director and Chairman of the Executive Director
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 |
| 2013 – 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 56 Years / Thai

Title Member of Risk Management Committee and Managing Director

Date of appointment July 1, 2013

Shareholding None as of December 31, 2017

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 56 Years / Thai

Title Company Secretary and First Executive Vice President

Date of appointment September 24, 2011

Shareholding 260,028 shares (0.0043%)
as of December 31, 2017

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 41 Years / Thai

Title Executive Vice President, Investment Department

Date of appointment June 30, 2015

Shareholding None (as of December 31, 2017)

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 52 Years / Thai

Title Executive Vice President, Risk Management Department (IT Risk)

Date of appointment July 15, 2014

Shareholding None (as of December 31, 2017)

Education / Training

- Master of Science in Applied Statistic, National Institute of development Administration (NIDA)
- Bachelor of Science, Computer Science Chandrakasem Teachers' College
- 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



Mr. A-NU DAWRAT

Age 55 Years / Thai

Title Executive Vice President, Human Resource and Administration

Date of appointment June 1, 2017

Shareholding 806,536 shares (0.0134%)
as of December 31, 2017

Education / Training

- Master of Labor and Industrial Relations, Michigan State University, USA.
- Master of Arts (Population and Social Research), Mahidol University
- Bachelor of Business Administration (Money and Banking), Ramkhamhaeng University

Director Training from Thai Institute of Directors Association (IOD)

- None

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

2017 – Present Executive Vice President, Human Resources and Administration
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)

2009 – 2017 Executive Vice President, Human Resources and Support
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. CHINAWAT SAMRANYOO

Age 47 Years / Thai

Title Executive Vice President, Business Supporting Department

Date of appointment July 1, 2017

Shareholding None (as of December 31, 2017)

Education / Training

- Master of Business Administration and Finance, Clark University

Director Training from Thai Institute of Directors Association (IOD) None

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

2017 – Present Executive Vice President, Business Supporting Department
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)

2016 – 2017 Project Advisor
AIRA Capital Public Company Limited

2008 – 2014 Executive Vice President
Phatra Asset Management Company Limited

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

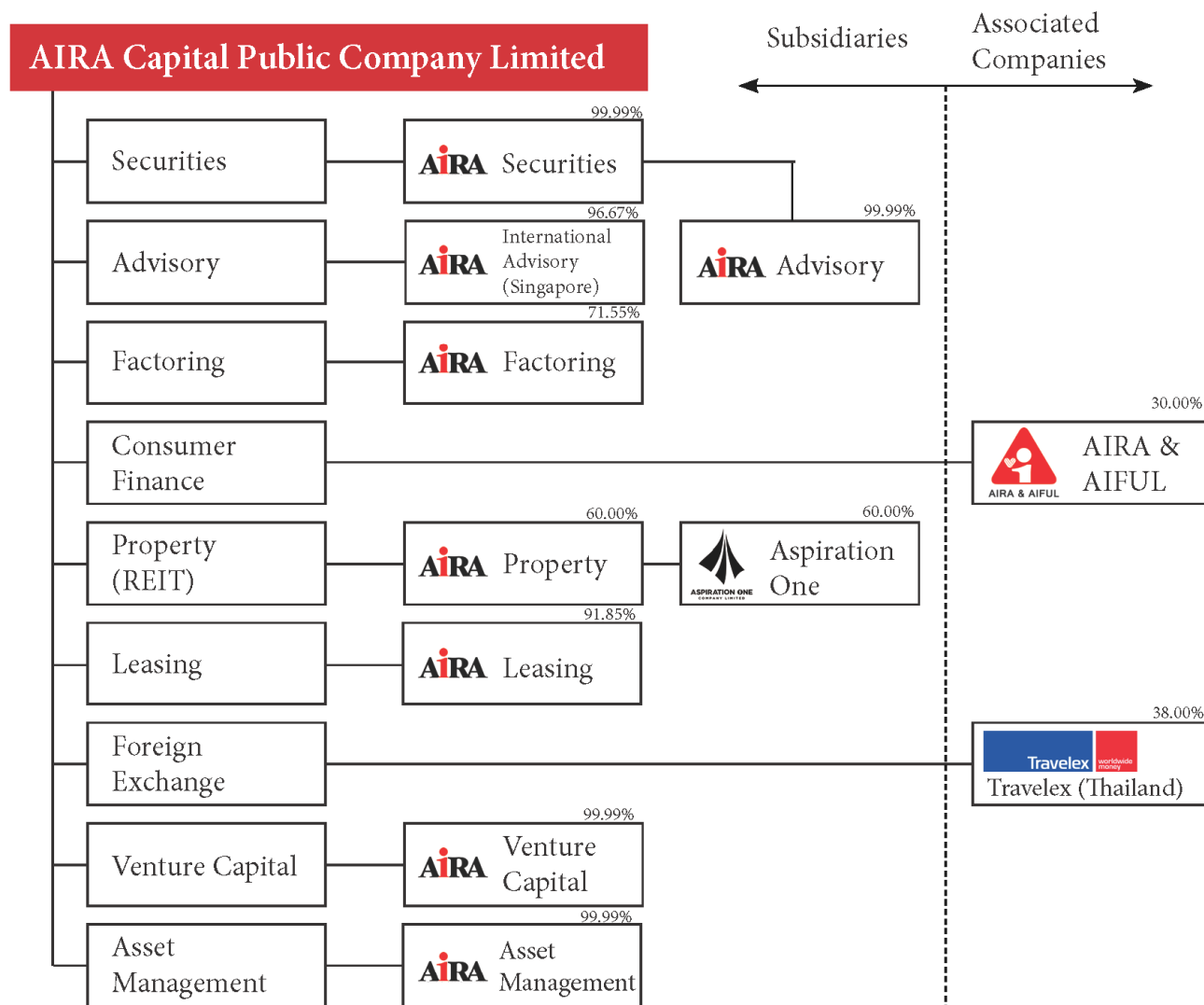
Criminal-Free Track Record for the past 10 years None

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 2017, 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 9 subsidiaries and 2 Affiliate Companies.

The shareholding structure of the 9 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 nine businesses, i.e. securities brokerage ; securities trading ; investment advisory; underwriting and Financial advisory ; securities borrowing and lending (principal only) ; Derivatives brokerage ; fund management (private fund); venture capital; and selling agent.

At present, AS has the Head office at Chamchuri Square Building and 9 branches: ; 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; Phaholyothin branch and Suratthani 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 99.99 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 96.67 percent of its shares. At present, AI has a registered fully-paid up capital of SGD 1,500,000, divided into 1,500,000 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 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, and its alliances, Kenedix Asia Pte. Ltd., Japan holds 20 percent shares and Eugene Investment & Securities Co., Ltd., Korea holds 20 percent shares. At present, AIP has 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.

4.1) 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 650.35 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 6.50 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, expected to be completed by the end of 2019.

5) 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 91.85 percent. At present, AIL has a registered capital of Baht 500 million, at the par value of Baht 1 per share, which consists of the fully-paid up capital of Baht 500 million, divided into 500,000,000 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, is a public company under the laws of Thailand. The destination is to be listed on the Stock Exchange of Thailand.

6) 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.

7) AIRA Asset Management Limited

AIRA Asset Management Limited (“AIAM”) was incorporated on 2 March 2017, started its shareholding at 99.99 percent. At present, AIAM has a registered capital of Baht 100 million, divided into 10,000,000 shares, at the par value of Baht 10 per share, which consists of the fully-paid up capital of Baht 25 million.

AIAM operated the business for Wealth and Investment Management for Private Fund, Mutual Fund and Securities Brokerage of Investment Units.

The shareholding structure of the 2 Affiliate Companies as follows:

1) **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 4,000 million, which consists of the fully-paid up capital of Baht 4,000 million, divided into 4,000,000,000 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.

2) **TRAVELEX (Thailand) Limited**

TRAVELEX (Thailand) Limited (“TVXT”) was incorporated on 15 September 2016, started its shareholding at 38 percent, and its alliances, Travelex Limited, UK holds 62 percent shares. 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.

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 and Affiliates’ 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 Asset Management Business.

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

The Company's main income comes from securities brokerage business and securities trading, which together accounted 42.91% of total revenues of the group company. 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 affect 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's family, Ngamsetthamas' family and Jungrunreangkit's family (This group includes Khun Komol Jungrunreangkit and Summit Footwear Limited) holding shares in the Company, as of 31 December 2017, are at 63.44%, 7.43% and 7.96% respectively. It accounted for 78.83% of total stake of the paid-up capital of the Company. The Ngamsetthamas's 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 issue 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-W1” and “AIRA-W2”

As of December 31, 2017, the remaining warrants “AIRA-W1” and “AIRA-W2” of the Company to purchase ordinary shares of the Company allotted to shareholders are 327,316,894 units and 781,886,872 units, respectively. The number of remaining shares reserved of AIRA-W1 and AIRA-W2 are 327,316,894 shares and 781,886,872 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 5.14% and 11.46%, respectively (calculated based on number of disposed shares as of December 31, 2017, totaling 6,039,485,338 shares). Additionally, the shareholders may be affected by price dilution, if the exercise price is lower than market price.

7. Risk of impairment of goodwill.

As of December 31, 2017 the Company has goodwill of 137.74 million baht, which is due to the acquisition of AIRA Factoring Public Company Limited and AIRA Leasing Public Company Limited higher than its book value. The Company has made a review on the valuation of the goodwill in every accounting period and record allowance for impairment (if any). Thus, the Company might be at risk on this impairment and will have an impact to income statement of the Company.

LEGAL DISPUTES

As of December 31, 2017, 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.

However, two subsidiaries of the Company which are AIRA Securities Public Company Limited and AIRA Factoring Public Company Limited have legal dispute as follows:

1. AIRA Securities Public Company Limited

As of December 31, 2017, AIRA Securities Public Company Limited (“AS”), a subsidiary of the Company, as a defendant, had a dispute of civil lawsuit in the amount of Baht 3 Million. On August 16, 2017, the Civil Court has dismissed the case. On December 15, 2017, the plaintiff appealed. The executives believe that the final judgment will not affect to cause any material adverse impact to AS’s financial status and business operation.

2. AIRA Factoring Public Company Limited

As of December 31, 2017, AIRA Factoring Public Company Limited (“AF”), a subsidiary of the Company had a legal dispute with negative effect on the assets of AF with a number higher than 5 percent of the shareholders. AF as the plaintiff had a lawsuit against one customer, which its business produces printing continuous paper in debt of unpaid principle under the loan agreement in the amount of Baht 60.62 Million. AF had filed a lawsuit to the Civil Court against the said customer and the guarantor on September 15, 2015.

On December 2016, the Civil Court gave its judgment and ordered the customer and the guarantor to pay the said debt to AF. AF filed 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 AF’s business because it has successfully reserved the entire amount of debt by provisioning policy.

Then the end of the year 2017, AF could write-off the bad debt of this customer and guarantor from AF’s Accounting System.

GENERAL INFORMATION OF THE COMPANY

Company name:	AIRA Capital Public Company Limited (AIRA)
Company registration number:	0107554000216
Type of company:	Holding Company
Registered capital:	Baht 1,790,000,000
Ordinary shares:	6,039,485,338 shares at the value of Baht 0.25 (as at 31 December 2017)
Issued and fully-paid up capital:	Baht 1,509,871,334.50 (as at 31 December 2017)

Head office address:	319 Chamchuri Square Building 12th Floor Phayathai Road, Pathumwan Bangkok 10330 Website: https://www.airacapital.co.th Tel: 0 - 2684 - 8981, Fax: 0 - 2684 - 8980
Corporate Secretary office:	Tel: 0 - 2684 - 8991, Fax: 0 - 2684 - 8980
Investor Relations:	Tel: 0 - 2684 - 8981, Fax: 0 - 2684 - 8980 E-mail: IR@aira.co.th

Reference person

- **Securities Registrar**

Thailand Securities Depository Co., Ltd.
1st 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

- **Auditor**

EY Office Limited
33rd 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

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
Offering price per unit:	Baht 0
Rights to buy shares:	1 unit of warrant for 1 ordinary share
Exercise Price:	Baht 0.25 per shares
Reserved Shares:	124,669,240 shares, par value of Baht 0.25 (4% of the Company's paid-up capital as of 20 February 2013)
Secondary market:	The Company will not list the warrants on the MAI.
Issuance Date:	3 June 2013
The last Exercise Date:	31 May 2017

The number of exercised warrants is as follows:

Number of warrants allotted	124,669,240 Units
Number of exercised warrants	119,743,100 Units
Number of employees canceled (Due to employee resignation)	51 employees
Number of remaining warrants	4,926,140 Units
Action on the remaining warrants.	Cancellation of exercise

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
➤ 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 or on the website of AIRA Capital Public Company Limited <https://www.airacapital.co.th>

MAJOR SHAREHOLDERS

AIRA Capital Public Company Limited has top 10 shareholders with details on the number of shares and shareholding percentage as of 31 December 2017 as follows:

No.	Major Shareholders	Number of Shares	Percentage (%)
1	J R K Holding Company Limited	2,316,497,280	38.356
2	Mr. Thaveechat Jurangkool	1,044,822,223	17.300
3	Mrs. Nalinee Ngamsetthamas	331,698,230	5.492
4	Mr. Nutthaphon Jurangkool	304,949,900	5.049
5	Mr. Komol Jungrunreangkit	288,533,051	4.777
6	Mrs. Nicha Smithivas	194,100,000	3.214
7	Summit Footwear Company Limited	192,401,300	3.186
8	Ms. Nida Sae-Lee	165,220,300	2.736
9	Mr. Wutthiphum Jurangkool	165,000,000	2.732
10	Ms. Ornnicha Ngamsetthamas	116,951,041	1.936

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.

MANAGEMENT STRUCTURE

1. Board of Directors of the Company

As of 31 December 2017, the Board of Directors comprises of 12 persons as follows:

No.	Directors	Position
1.	Mr. Pakorn Malakul na Ayudhya	Chairman of Audit Committee / Independent Director
2.	Mr. Nopporn Picha	Member of Audit Committee / Independent Director
3.	Mrs. Jiraporn Shamenasiri	Member of Audit Committee / Independent Director
4.	Associate professor Anchalee Pipatnasern	Member of 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	Authorized Director
9.	M.R. Kasemvisuthi Visuthi	Authorized Director
10.	Mr. Wisoot Karnchanapunyapong	Authorized Director
11.	Mr. Wutthiphum Jurangkool	Authorized Director
12.	Mrs. Nalinee Ngamsetthamas	Chief Executive Officer / Authorized Director

- Note:**
- 1) Ms. Netsine Naksuk holds the position of the Secretary of the Company and acts as the Secretary of the Company's Board of Directors.
 - 2) 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.
 - 3) 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 directors of the Company is an 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

Corporate Governance Policy (Revised on 2017) 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. In 2017, the Chairman of the Board of Directors of the Company was Mr. Pakorn Malakul Na Ayudhya.

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, associates, 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, associates, 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 2017, The Company has 7 independent directors with the following namely:

- | | | |
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| 1. | Mr. Pakorn Malakul na Ayudhya | Independent Director and Chairman |
| 2. | Mr. Nopporn Picha | Independent Director and Chairman of Audit Committee |
| 3. | Mrs. Jiraporn Shamenasiri | Independent Director and Member of Audit Committee |
| 4. | Associate professor Anchalee Pipatnasern | Independent Director and Member of Audit Committee |
| 5. | Associate Professor Niputh Jitprasonk | Independent Director and Chairman of Member of Nomination and remuneration Committee |
| 6. | Mr. Prinya Waiwatana | Independent Director and Chairman of Risk Management Committee |
| 7. | Mr. Anant Sirisaengtaksin | Independent Director |

2. Sub-committees

As at 31 December 2017, Sub-committee consists of 5 committees, 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 2017, the executives of the Company comprise of:

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| 1. Mrs. Nalinee 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 |
| 6. Mr. Anu Dawrat** | Executive Vice President, Human Resource and Administration |
| 7. Mr. Chinawat Samranyoo*** | Executive Vice President, Business Supporting Department |

Note: * The Executive No. 1 – 7 has executive as defined by the SEC Notification.

** Mr. Anu Dawrat was appointed as Executive Vice President, Human Resource and Administration as of 1 June 2017.

*** Mr. Chinawat Samranyoo was appointed as Executive Vice President, Business Supporting Department as of 1 July 2017.

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;

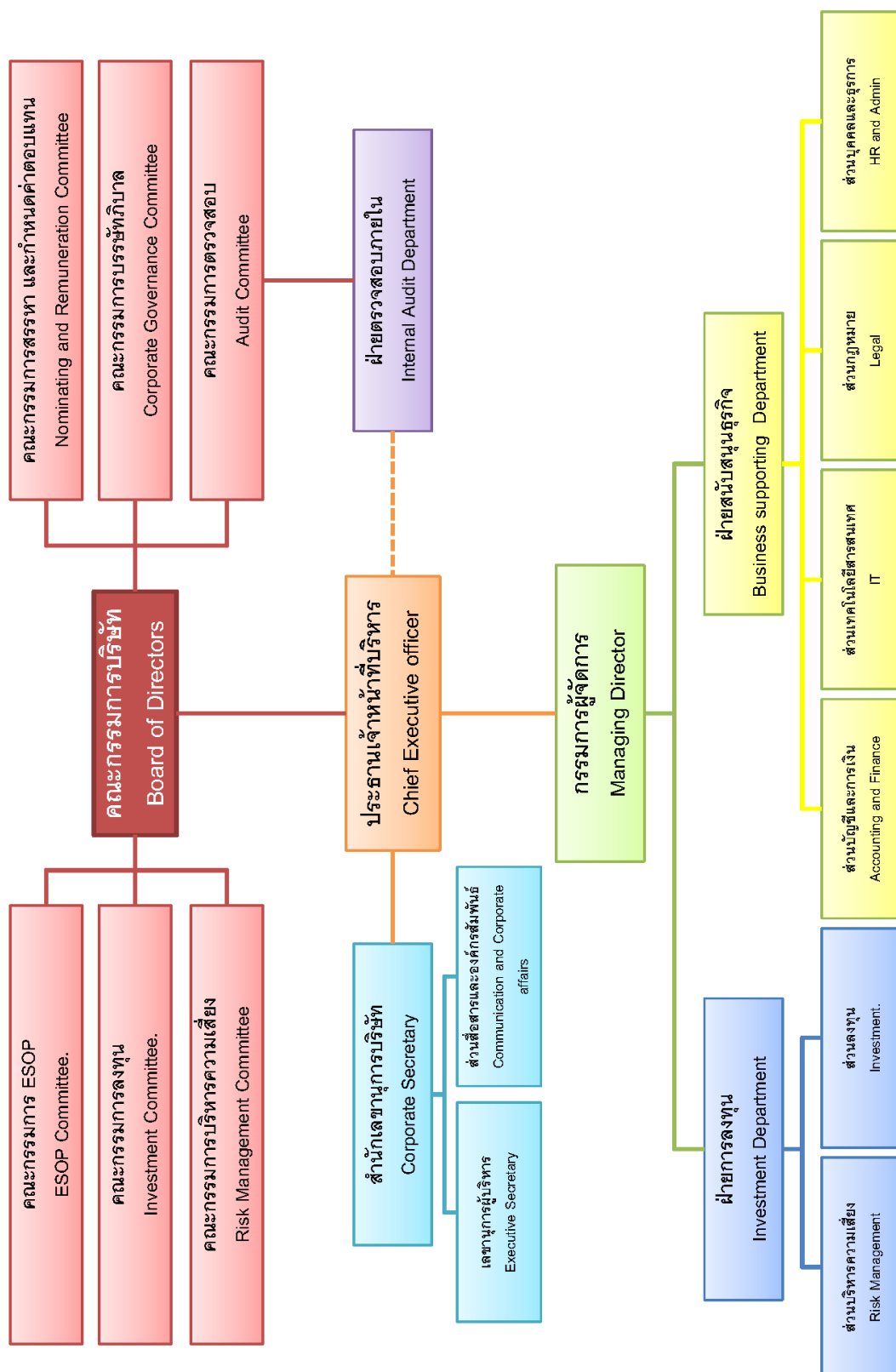
6. provide advice, recommendations and suggestions to resolve problems, including development and improvement of any group companies' work systems;
7. take part in the consideration and advice-making in relation to the issuance of various important regulations, criteria and rules, which have an impact 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 Netsrine Naksuk, to act as the company secretary, Corporate Governance Policy (revised version of 2016) requires the Company's 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 of the Company



5. The Company's Staff

As of 31 December 2017, the Company has 34 employees. In 2017, the Company paid the employees compensation, the total amount of Baht 40.5 million, which included salary, overtime pay, bonus, special allowance, etc.

Human Resources Development Policy

The Company gives the priority on human resources development and the continuous learning with the confidence that the growth of the organization is subjected to the quality of Human resources. Therefore, the Company has issued the policy to develop and modernize the management system and human resources system as to be in accordance with the technology and the international standard in order to strengthen and develop capable person in achievement of High Performance Organization. Moreover, the Company also emphasizes on the human resource development to participate in responsibility of the society, community, and environment (Corporate Social Responsibility).

Hence, the Company aims to develop the Human resources to be a person with morals and ethics as well as having the expertise in the operation so as to make the practical use of the good knowledge and experience, which can strengthen and support the sustainable growth of the Company.

6. Control and supervision of subsidiaries

As at 31 December 2017, the Company has the following 9 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 96.67%
4. AIRA Property Public Company Limited ("AIP"), in which the Company has a shareholding of 60%
 - 4.1 Aspiration One Company Limited ("ASPI"), in which AIP has a shareholding of 60%
5. AIRA Leasing Public Company Limited ("AIL"), in which the Company has a shareholding of 91.85%
6. AIRA Venture Capital Limited ("AVC"), in which the Company has a shareholding of 99.99%
7. AIRA Asset Management Limited ("AIAM"), in which the Company has a shareholding of 99.99%

Affiliate Companies as follow:

1. AIRA and AIFUL Public Company Limited ("A&A"), in which the Company has a shareholding of 30%
2. TRAVELEX (Thailand) Limited ("AIL"), in which the Company has a shareholding of 38%

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, 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 2017 are as follows:

List of Directors	AGM for the year 2017	Board of Directors	Audit Committee	Nomination And Remuneration Committee	Risk Management Committee	Corporate Governance Committee	Investment Committee
1. Mr. Pakorn Malakul na Ayudhya	1/1	6/6					
2. Mr. Nopporn Picha	1/1	6/6	5/5				
3. Mrs. Jiraporn Shamenasiri	1/1	6/6	5/5			2/2	
4. Associate professor Anchalee Pipatnasern	1/1	6/6	5/5				
5. Associate Professor Niputh Jitprasonk	0/1	6/6		2/2	3/3		
6. Mr. Prinya Waiwatana	1/1	6/6		2/2	3/3		4/4
7. Mr. Anant Sirisaengtaksin	1/1	4/6			3/3		
8. Mrs. Kongkeaw Piamduaytham	1/1	6/6				2/2	
9. M.R. Kasemvisuthi Visuthi	1/1	6/6		2/2			
10. Mr. Wisoot Karnchanapunyapong	1/1	6/6				2/2	4/4
11. Mr. Wutthiphum Jurangkool	1/1	3/6					
12. Mrs. Nalinee Ngamsetthamas	1/1	6/6					4/4

SHARES HELD BY BOARD OF DIRECTORS AND EXECUTIVES

Name* and Position	Ordinary Shares (Shares)			
	As of 31 Dec 2016	Changes during 2017		As of 31 Dec 2017
		Increase	Decrease	
1. Mr. Pakorn Malakul na Ayudhya Chairman	982,316	0		982,316
2. Mr. Nopporn Picha Chairman of Audit Committee	792,534	182,614		975,148
3. Mrs. Jiraporn Shamenasiri Member of Audit Committee	10,348,595	-	298,205	10,050,390
4. Associate professor Anchalee Pipatnasern Member of Audit Committee	1,422,309	106,959		1,529,268
5. Associate Professor Niputh Jitprasonk Independent Director	375,267	91,307		466,574
6. Mr. Prinya Waiwatana Independent Director	236,582	130,439		367,021
7. Mr. Anant Sirisaengtaksin Independent Director	-	-	-	-
8. Mrs. Kongkeaw Piamduaytham Authorized Director	17,757,990	93,916		17,851,906
9. M.R. Kasemvisuthi Visuthi Authorized Director	696,926	169,570		866,496
10. Mr. Wisoot Karnchanapunyapong Authorized Director	536,097	130,439		666,536
11. Mr. Wutthiphum Jurangkool Authorized Director	100,000,000	65,000,000		165,000,000
12. Mrs. Nalinee Ngamsetthamas Chief Executive Officer and Authorized Director	326,871,987	4,826,243		331,698,230
13. Mr. Suttiporn Tanthikul Managing Director	-	-	-	-
14. Mrs. Netsrine Naksuk First Executive Vice President and Company Secretary	141,763	118,265		260,028
15. Mr. Sampan Chanaburanasak Executive Vice President, Investment Department	-	-	-	-
16. Mr. Ataporn Tragulmalee Executive Vice President, Risk Management Department (IT Risk)	-	-	-	-
17. Mr. Anu Dawrat** Executive Vice President, Human Resource and Administration	676,097	130,439		806,536
18. Mr. Chinawat Samranyoo*** Executive Vice President, Business Supporting Department	-	-	-	-

Remark: * The number of ordinary shares and debentures includes those held by spouses and minor children.

** Mr. Anu Dawrat was appointed as Executive Vice President, Human Resource and Administration as of 1 June 2017.

*** Mr. Chinawat Samranyoo was appointed as Executive Vice President, Business Supporting Department as of 1 July 2017.

REMUNERATION OF DIRECTORS

The Board of Directors has approved the policy and criteria for the remuneration of directors and the Chief Executive Officer by the Nomination and Remuneration Committee is required to determine the remuneration, the instructions as follows:

1. Directors' remuneration

Directors' remuneration shall be determined the accountability and responsibility of the Board of directors. The Nomination and Remuneration Committee shall consider the remuneration, payment of the Directors' remuneration and the Board of Directors is responsible for the approval of the Board of Directors and proposed to the shareholders meeting for approval.

The Nomination and Remuneration Committee will consider the remuneration in accordance with the practices of the listed companies and according to good corporate governance principles. Including business performance, business responsibility performance of the Board of Directors and the economic reason of the country. Include reference data for other companies in the same or similar business size and the directors' remuneration of Thai Institute of Directors (IOD). The consideration should be at the appropriate level and sufficient to motivate and retain qualified directors to benefit the Company and to the Nomination and Remuneration Committee for consider and determine the remuneration of the Chief Executive Officer (CEO).

2. Type of Remuneration consists of 2 parts as follows:

2.1 Attendance Fee, for reflect the work of the director to motivate the directors to perform their duties by regularly attending the meeting. Only paid to the directors who attended the meeting;

- 2.1.1 Meeting allowance for sub-committees, Subcommittee members receive meeting allowances from attending sub-committees. The meeting allowance is set at a lower level than the board. The scope of duties of the committee members is limited to the board of directors.
- 2.1.2 Meeting allowance of chairman of the board of directors and chairman of the Subcommittee, the meeting allowance was higher than that of directors and sub-committees.
- 2.1.3 The level of meeting allowance, Meeting allowance when it comes to value, overall It should be at the appropriate level and sufficient to allow the directors to limit the number of companies to be appointed as directors. They will be able to dedicate their time in attending meetings and performing their duties efficiently.

2.2 Incentive Fee, are the special remuneration will be paid to the directors once a year. The remuneration will take into account the performance of the Company or dividends paid to shareholders. This compensation will be considered at an appropriate level not too high.

2.3 How to pay Directors Remuneration







2.3.1 Meeting allowance remuneration paid to all directors who attend the meeting Remark:
The Chairman and the Board of Directors or sub-committee members come from the management. The compensation will be reduced by half from the compensation paid by the Chairman and the Directors from third parties.

2.3.2 Performance Fee by the Nomination and Remuneration Committee proposed the remuneration, Based on the performance of the Company or dividends paid to shareholders. The Board of Directors is responsible for the approval of the Board of Directors and proposed to the shareholders meeting for approval.

In 2017, the Annual General Meeting of Shareholders for the year 2017 on 24 April 2017 passed a resolution to fix remunerations of the Board of directors of the Company and Subcommittees in the form of the meeting allowances with the following details.

<u>The Board of directors</u>		Remark: (1) The Chair person and directors of the Board of Directors or the sub-committee who are also the executives shall receive one-half of the attendance fees payable to the Chairman and directors who are external directors. (2) Sub Committee*, including the Audit Committee, the Investment Committee, the Corporate Governance Committee, the Nomination and Remuneration Committee, and the Risk Management Committee.
Chairman	Baht 25,000 / Meeting	
Other Directors	Baht 15,000 / Meeting	
<u>Audit Committee</u>		
Chairman	Baht 15,000/ Meeting	
Other Audit Committee	Baht 8,000 / Meeting	
<u>Sub Committee*</u>		
Chairman of Sub Committee	Baht 12,000 / Meeting	
Other Directors	Baht 6,000 / Meeting	

In 2017, the Board of Directors received the meeting allowances totaling Baht 1,413,500.00 divisible into the following;

Board of Directors and Subcommittees	Number of Meetings (times)	Meeting allowances (Baht)
 Board of Directors	6	984,500
 Audit Committee	5	171,000
 Nomination and Remuneration Committee	2	48,000
 Risk Management Committee	3	81,000
 Corporate Governance Committee	2	48,000
 Investment Committee	4	81,000

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 the Company, approved by the Board of Directors meeting No. 8/2016 on November 14, 2016 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.

1.14 Use of Information and Communication Technology

The Company provides information security management in accordance with international standards. Be careful of the use of information technology and communication properly. Effective Under the terms of the law. The Company's policy is to maximize the benefits of the Company and all stakeholders.

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. Do not engage in any offense or conceal any illegal activity;
5. 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;
6. To disclose relationship with outside organizations and institutions or relatives to avoid any potential conflict of interest;
7. 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;
8. 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 refraning 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 acconection 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 the 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.

ANTI - CORRUPTION

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 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. There are subsidiary that have been certified by CAC namely, AIRA Securities Public Company Limited ("AS").

INTERNAL CONTROL AND RISK MANAGEMENT

The Company recognized the importance of good governance system by established an audit department to work as the Company's independent internal auditor, which has main responsibility to audit, monitor and follow-up the audit finding from all operations of the Company including subsidiary companies, which do not have their own audit department. Then, directly report to Audit Committee.

For the efficiency and appropriate of good governance framework, the Company established an internal audit and risk management system based on the internal guidelines of The Committee of Sponsoring Organizations of the Tread way Commission Enterprise Risk Management (COSO-ERM), which are addressed into 5 major components as follows (1) Control Environment (2) Risk Assessment (3) Control Activities (4) Information & Communication (5) Monitoring Activities.

To achieve company's internal control's objective and comply with related laws and regulation of the Office of the Securities and Exchange Commission (SEC). The Company established the audit committee functions into the Company's structure as an independent function. Moreover, the Company also established an internal audit department for closely working with company's external auditor and internal operation unit in various assignments.

Regarding to the audit committee charter, which mentioned that the Company shall arrange the audit committee meeting at least once in quarterly basis. Furthermore, the audit committee shall concentrate on the Company's financial report for accuracy and transparency. Accordingly, the internal audit of company shall cooperate with the Company's management and external auditor for consideration about related transactions and conflict of interest transaction as well.

The Board of Directors' opinion on the internal control system

Under the Board of Directors meeting no.2/2018 held on February 26, 2018, all of audit committee joined and proposed the agenda about the result of internal control assessment of company to the Company's Board of Director for getting acknowledgement. The meeting had discussed with the Company's management regarding purposed information based on the internal control self-assessment from audit committee manual of the Office of the Securities and Exchange Commission (SEC).

The Board of Directors agreed that the Company has sufficient and appropriate internal control system. Moreover, the Company has 5 major components are (1) Control Environment (2) Risk Assessment (3) Control Activities (4) Information & Communication (5) Monitoring Activities. The Company established a person in charge to operate and monitor performance of the Company and subsidiary company's performance. Furthermore, it also included the consideration about the conflict of interest transaction and related transaction in the Company.

The Audit Committee's opinion on the internal control system

On the Audit Committee meeting, held on February 22, 2018, the meeting had evaluated the internal control self-assessment manual based on the Office of the Securities and Exchange Commission (SEC). A self-assessment report consists of 5 major components (including 18 main sub-issues) which are (1) Control Environment (2) Risk Assessment (3) Control Activities (4) Information & Communication (5) Monitoring Activities. The Audit committee also confirms and comment that the Company has effective and sufficient internal control system and no significant change from the previous year.

Head of Internal Audit and Head of Compliance

On the Audit Committee meeting of the Audit Committee no.4/2017 held on August 4, 2017, the committee has appointed to Miss. Kulwadee Prombandankul, Assistant Vice President (AVP) of Internal audit department to be a person in charge, who has responsibility to work as an audit committee secretary and head of internal audit department.

Miss. Kulwadee Prombandankul graduated Master degree of Science Program in Corporate Governance (MSCG) from Chulalongkorn University and Bachelor degree of Business Administration (BBA) in Accounting from Assumption University. Since she graduated, she has many experiences and work in both audit and internal control areas more than 10 years in public and private organizations. Accordingly, appointment, transfer, terminate of Head of Internal Audit position shall get the prior approval from the audit committee.

Regarding to the Company business is holding company, which particularly focusing on business performance of subsidiary and affiliate companies. Due to this situation, the Company did not establish the compliance department but uses the internal control mechanism via the internal audit and compliance department of subsidiary companies, which this mechanism complies with SEC's regulation in corporate governance area.

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”), AIRA Venture Capital Company Limited (“AVC”) and AIRA Asset Management Company Limited (“AIAM”) (collectively referred to as “the group of companies” or “the Company and its subsidiaries”) had a shareholding structure on 31 December 2017 in which JRK Holdings Limited (“JRK”) held shares in AIRA Capital Public Company Limited up to 38.36%, 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. Tor Chor. 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
Total	100.00

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 2017 is detailed as follows:

Subsidiaries	Relationship
AIRA Securities Public Company Limited (“AS”)	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 Nalinnee Ngamsetthamas and Khun Wisoot Karnchanapunyapong.
AIRA Factoring Public Company Limited (“AF”)	AF is a subsidiary in which the Company holds 71.55% of shares and has common directors, namely, Khun Nalinnee Ngamsetthamas 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.
AIRA Advisory Company Limited (“AD”)	AD is a subsidiary in which the Company indirectly holds 99.99% of shares through AS.
AIRA International Advisory (Singapore) Pte. Ltd. (“AI”)	AI is a subsidiary in which the Company holds 96.67% of shares.
AIRA Property Public Company Limited (“AIP”)	AIP is a subsidiary in which the Company holds 60.00% of shares.
AIRA Leasing Public Company Limited (“AIL”)	AIL is a subsidiary in which the Company holds 91.85% of shares.
Aspiration One Company Limited (“ASP1”)	ASP1 is a subsidiary in which the Company indirectly holds 60 % of shares through AIP.
AIRA Venture Capital Company Limited (“AVC”)	AVC is a subsidiary in which the Company holds 99.99% of shares.
AIRA Asset Management Company Limited (“AIAM”)	AIAM is a subsidiary in which the Company holds 99.99% of shares.
Summit Windmill Golf Club Company Limited	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 Nuttapong Jurangkool, Khun Kornkit Jurangkool, Khun Wutthiphum Jurangkool and Khun Akarapong Jurangkool.
Summit Corporation Company Limited	There are common shareholders with JRK, namely, Khun Sansern Jurangkool, Khun Hathairat Jurangkool, Khun Apichart Jurangkool, Khun Taweachat Jurangkool, Khun Nuttapong Jurangkool, Khun Kornkit Jurangkool, Khun Wutthiphum Jurangkool and Khun Akarapong Jurangkool.
Summit auto body industry Company Limited	Common major shareholder.

Related companies	Relationship
Alliance Company Limited	Khun Preecha Leelasitorn is the first four top executives of AS and a director of Alliance Company Limited.
Krung Thai Tracktor Company Limited (“KTT”)	Khun Sarawut Laohapongchana is a director of AIL and Krung Thai Tracktor Company Limited.
AIRA&AIFUL Public Company Limited (“A&A”)	A&A is a affiliate in which the Company holds 30% of shares.
Persons who may have conflicts of interest with the Company, namely, executives, directors and shareholders of the group of companies	Relationship
Khun Hathairat Jurangkool	As of 31 December 2017, 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 38.36% of shares in AC). In addition, sons of Khun Hathairat Jurangkool, namely, Khun Taweechat Jurangkool, holds 17.30% of shares in AC (as of 31 December 2017) and Khun Wutthiphum Jurangkool is a director of AC.
Khun Taweechat Jurangkool	KhunTaweechatJurangkool is a holder of 15% of shares in JRK. KhunTaweechatJurangkool is a son of KhunSansernJurangkool and KhunHathairatJurangkool who together hold 10% of shares in JRK (in which JRK is a holder of 38.36% of shares in AC). As of 31 December 2017, Khun Taweechat Jurangkool has held 17.30% of shares in AC. Moreover, Khun Wutthiphum Jurangkool, a younger brother of Khun Taweechat Jurangkool, is also a director of AC.
Khun Nuttapol Jurangkool	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 38.36% of shares in AC). As of 31 December 2017, Khun Nuttapol Jurangkool has held 5.05% of shares in AC. Khun Nuttapol Jurangkool is a younger brother of Khun Taweechat Jurangkool who is a holding of 17.30% of shares in AC and an older brother of Khun Wutthiphum Jurangkool, a director of AC.
Khun Komol Junggrunreangkit	Khun Komol Junggrunreangkit 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 38.36% of shares in AC). In addition, Khun Taweechat Jurangkool and Khun Wutthiphum Jurangkool (Directors of AC), grandchildren of Khun Komol Junggrunreangkit, are also holders of 17.30% and 2.73% of shares in AC (as of 31 December 2017), respectively. As of 31 December 2017, Khun Komol Junggrunreangkit has held 4.78% of shares in AC and 79.93% of shares in Summit Footwear Public Company Limited (in which as of 31 December 2017, Summit Footwear Public Company Limited has been a holder of 3.19% of shares in AC).

Persons who may have conflicts of interest with the Company, namely, executives, directors and shareholders of the group of companies	Relationship
Khun Sansern Jurangkool	As of 31 December 2017, 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 38.36% of shares in AC). In addition, Khun Taweachat Jurangkool and Khun Wutthiphum Jurangkool (Directors of AC), sons of Khun Sansern Jurangkool, are also holders of 17.30% and 2.73% of shares in AC (as of 31 December 2017), respectively.
Khun Wutthiphum Jurangkool	Khun Wutthiphum Jurangkool is a holder of 15% of shares in JRK. Khun Wutthiphum 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 38.36% of shares in AC). As of 31 December 2017, Khun Taweachat Jurangkool has held 2.73% of shares in AC. Moreover, Khun Wutthiphum Jurangkool, a younger brother of Khun Taweachat Jurangkool, is also a authorized director of AC.
Khun Naline Ngamsetthamas	As of 31 December 2017, Khun Naline Ngamsetthamas has been the Chief Executive Officer and authorized director of AC and has a shareholding ratio together with her children of 7.43% 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.
M.R. Kasemvisuthi Visuthi	As of 31 December 2017, 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.
Khun Kongkaew Piamduaytham	Khun Kongkaew Piamduaytham is an authorized director of AC and a consultant of AS.
Khun Prinya Waiwatana	Khun Prinya Waiwatana is a director of AC.
Khun Anant Sirisaengtaksin	Khun Anant Sirisaengtaksin is a director of AC and Chairman of the company's Board of AD.
Khun Pairoj Loengtalerngpong	Khun Pairoj Loengtalerngpong is the Chief Executive Officer and authorized director of AS and Investment Committee Member of AC and authorized director of AD.
Khun Nakorn Kolsrichai	Khun Nakorn Kolsrichai is the Chief Marketing Officer and authorized director of AS.
Khun Visit Vongruamlarp	Khun Visit Vongruamlarp is a director of AF.
Khun Teera Wipuchanin	Khun Teera Wipuchanin is a consultant of AS.
Khun Preeyapan Panawipat	Khun Preeyapan Panawipat is a wife of Khun Nakorn Kolsrichai who is the Chief Marketing Officer and authorized director of AS.

Transactions between the Company and its subsidiaries, related companies and persons who may have conflicts of interest in the year 2016 and year 2017 are detailed as follows:

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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
Transactions between AC and its subsidiaries							
Transactions between AC and AS	AC has bought investments in the bonds of AS.	1,097.45	-	-	-	AC has invested in short-term bonds and government bonds through AS with the purpose of managing short-term liquidity.	The Audit Committee is of the opinion that such transaction is a normal transaction falling within a delegation power of the Board of Directors to the Chief Executive Officer for investment and liquidity management with interest rates conformable with market conditions, in which the transaction each time is an auction of government bonds.
	AS has paid the dividend to AC.	44.00	-	33.00	-	Transactions in the year 2016 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. Transactions in the year 2017 are in accordance with the resolution of the Meeting of the Company's Board of Directors of AS on 13 December 2017, allowing payment of interim dividend for the year 2017 at a rate of 0.03 Baht per share in the amount of 33.00 million Baht.	The Audit Committee is of the opinion that such transaction is a normal transaction and is a rate paid to a person in general, which is in accordance with the resolution of the Annual General Meeting of Shareholders/ the Meeting of the 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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
	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.	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	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	0.08	0.007	0.08	0.01	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.
	AF has paid the dividend to AC	60.67	-	36.63	25.18	In the year 2016, in accordance with a resolution of the Annual General Meeting of Shareholders on 21 April 2016 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, 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. In the year 2017, in accordance with a resolution of the Annual General Meeting of Shareholders on 21 April 2017 at 0.01 Baht per share, in	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.
Transactions between AC and 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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
						accordance with a resolution of the Meeting of the Company's Board of Directors no.6/2017 on 14December 2017approved interim dividend payment no.1/2017 at a rate of 0.022 Baht per share.	
Transactions between AC and AI	AC made loans to AI which are unsecured loans with the interest rate of 2.0% per annum and repayable on 19 Apr2018	61.32	61.32	(6.93)	54.39	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	1.27	0.36	1.26	0.21	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.
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.
	AC made short-term loans to AIL which are unsecured loans with the interest rate of 2.0% per annum and repayable on at call.	-	-	40.0	40.0	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 AIL	-	-	1.66	-	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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
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.	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	0.02	0.10	-	AF has rented cars from AS for use in conducting its business.	
Transactions between AS and AA	AS has bought investments in a transferable bill of exchange of A&A for management of the short-term liquidity	-	-	2,667.11	-	AS has invested in the bonds of AA with a purpose of managing the short-term liquidity.	
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.	1,487.88	399.59	3,860.02	99.92	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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
	Gain on sales of investments	0.03	-	2.76	-	AS has sold all of transferable bills of exchange of AF and A&A to Khun Hathairat Jurangkool and Khun Komol Jung rungreangkit	Profit arising from a margin of selling bill of exchange is a normal profit margin charged from general people.
	AS has offered to sell a transferable bill of exchange of AF to Khun Hathairat Jurangkool.	297.51	-	-	-	KhunHathairat 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.
	Brokerage fees income in trading securities	-	-	0.98	-	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.
	Interest expense / accrued interest payable of subordinated debentures and bill of exchange which AS has not paid to Khun Hathairat Jurangkool.	11.31	-	12.67	-	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 +.

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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
Transactions between AS and Khun Sansern Jurangkool	Received fees and service charges of AS resulting from AS managing personal funds of Khun Hathairat Jurangkool.	0.71	-	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	0.14	2.20	(1.66)	0.54	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	0.04	-	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.
	Interest expense as customer deposits in securities trading	0.02	-	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.
Transactions between AS and Khun Komol Jung rungcreangkit	AS has issued and offered to sell subordinated debentures to Khun Komol Jung rungcreangkit	-	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

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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
							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	159.37	39.99	316.67	-	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.
	Securities and derivatives business receivables	(2.24)	-	2.79	2.79	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	14.36	14.36	(11.54)	2.82	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.

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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
	Cash security in trading of securities	39.12	39.12	0.32	39.44	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 Jungreungreangkit	3.53	0.50	3.47	0.50	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 + in the bond market of Thai BMA.
	Securities and derivatives business receivables	(18.85)	6.36	(3.04)	3.32	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 Taweachat Jurangkool	Securities and derivatives business payables	82.51	82.51	(41.55)	40.96	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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
	Cash security in trading of securities	(15.36)	28.52	87.77	116.29	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	17.12	-	15.53	-	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.
	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 Nuttapol Jurangkool	Securities and derivatives business receivables	(28.20)	45.03	(40.23)	4.80	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	12.10	38.33	(0.07)	38.26	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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
	Brokerage fees income in trading securities	10.01	-	8.58	-	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	0.33	-	0.38	-	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.
	Cash security in trading of securities	0.008	0.008	0.001	0.009	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 Wutthiphum Jurangkool	Brokerage fees income in trading securities	0.14	-	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 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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
Transactions between AS , directors and executives in its affiliated companies							
Transactions between AS and Khun Naline Ngamsettamass	Cash security in trading of securities	2.36	3.70	N/A	10.12	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 Ngamsettamass.	194.29	-	N/A	-	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.
	The bill of exchange interest expense by Mrs. Naline Ngamsettamass.	0.71	-	-	-	For bill of exchange interest expense, 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 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 +

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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
	Brokerage fees income in trading securities	-	-	0.08	-	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.
Transactions between AS and Khun Pairoth Loengtalerng-pong	Brokerage fees income in trading securities	0.03	-	0.02	-	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	(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.
Transactions between AS and Khun Visit Vongruamlarp	Brokerage fees income in trading securities	-	-	0.006	-	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.

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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
	Cash security in trading of securities	-	-	0.25	0.25	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	-	-	0.002	-	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.
	Brokerage fees income in trading securities	0.07	-	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.
	Securities and derivatives business payables	-	-	6.27	6.27	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.
Transactions between AS and Khun Nakorn Kolsrichai							

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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
	Cash security in trading of securities	-	-	0.57	0.57	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	-	-	0.003	-	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.
	AS has paid the rent of its Chiang Mai branch.	0.54	-	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		
Transactions between AS and Khun Prinya Waiwatana	Brokerage fees income in trading securities	0.01	-	0.02	-	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 is 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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
Transactions between AS and Khun Preeyapan Panawipat	Brokerage fees income in trading securities	0.28	-	0.04	-	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.
	Cash security in trading of securities	-	-	7.67	7.67	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	-	-	0.05	-	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 its related companies							
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	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.

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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
	AS had a rent due to its leasing of the space of Summit Windmill Golf Club Company Limited	0.48	-	0.49	-	leased 40 sqm. with a rental price of 40,516.87 Baht per month for a period of 6 months from the 1 July 2017 to 31 December 2017. Such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms. In the moment on process to contract.	
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. 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	-	0.45	-	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.

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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
Transactions between AIL and its affiliated companies							
Transactions between AIL and Krung Thai Tractor Company Limited ("KTT")	Gains from property disposals	10.22	-	-	-	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.
	Other receivables	10.40	10.40	-	5.12	AIL sold 8 wheel loaders to KTT delivered on 28 December 2016.	
	Purchase assets	20.73	-	12.39	-	In 2017, AIL purchased 3 wheel loaders and three forklift trucks and in 2016, 3 wheel loaders, 16 forklift trucks for lease purposes. These transactions are the result of normal business transactions with general trading conditions.	
	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.	
	Revenue of operating lease business	1.50	-	-	-	AIL has contracted with KTT. Such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.	
	Cost of operating lease business	2.71	-	2.60	0.22	AIL has credit term with KTT in purchasing, mechanical transportation services and mechanical repair.	

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 2016	Accrued value as at 31 December 2016	Value during the year 2017	Accrued value as at 31 December 2017		
	Rental and services income	1.50	-	0.98	-	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.	
Transactions between AIL and SUMMIT AUTO BODY INDUSTRY Company Limited ("SUMMIT")	Revenue of operating lease business	-	-	0.37	0.08	Since February 2017 to January 2018, AIL has contracted with SUMMIT. Such transactions arose from undertaking transactions in the normal operation of businesses with general commercial terms.	

Transactions between its affiliated companies and consultants of its affiliated companies					
Khun Kongkaew Piamduaytham	Remuneration and meeting allowances as the consultant of AS	0.96	0.96	Khun Kongkaew 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. Kasemvisuthi Visuthi	Remuneration and meeting allowances as the consultant of AS	0.96	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.
Khun Teera Wipuchanin	Meeting allowances as the consultants of AS	0.06	0.07	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.

REPORT OF THE AUDIT COMMITTEE

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:

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|--|-----------------------------|
| 1. Mr. Nopporn Picha | Chairman of Audit Committee |
| 2. Mrs. Chiraporn Chamnasiri | Audit Committee Member |
| 3. Associate Professor Anchalee Pipatanasern | 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 2017, there were five 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. Beside, the Audit Committee has a meeting with external auditor without company's management also. The essence of such Audit Committee meetings is as follows:

1) Examine the financial information of the Company on a quarterly basis and the 2017 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 2017, 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 2017 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 2017:** 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 2017, 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

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

To the Shareholders of AIRA Capital Public Company Limited

The Board of Directors of AIRA Capital Public Company Limited has appointed the Nomination and Remuneration Committee, which consists of 3 committees and Chairman of Nomination and Remuneration Committee is an Independent Director. All Nomination and Remuneration Committee must have the complete qualification as specified in the charter of Nomination and Remuneration Committee and perform the duty as assigned from the Company's Board of Directors under the roles and responsibilities as specified in the charter of the Nomination and Remuneration Committee in personnel recruitment with the proper qualifications to hold the position of the Company's Director, member of the subcommittee, and Chief Executive Officer in order to propose to the Board of Directors as well as to prepare the rules and the policy in the remuneration of the Board of Directors, the subcommittee, and Chief Executive Officer and propose those in the Board of Directors meeting to consider for approval or the approval in the shareholders' meeting as the case may be.

In 2017, Nomination and Remuneration Committee had held the meeting twice to consider the important matters and publish the minutes of the meeting with the opinions and suggestions for the Company's Board of Directors to consider, which can be summarized as follows;

1. Perform recruiting and selecting the individual to replace the position of the full-term Director from those who have the proper qualification according to the requirement of Securities and Exchange Commission and Stock Exchange of Thailand with no prohibited manner as specified by law as to propose in the Board of Directors' meeting and the shareholders' meeting for approval. Directors who are the stakeholders will not participate and abstain from voting in such matter.
2. Perform scrutinizing the remuneration of the Company's Directors and the subcommittee as to propose in the Board of Directors' meeting and the shareholders' meeting for approval.
3. Consider annual bonuses payment and other remuneration. The adjustment of the overall annual remuneration to top executives and employees and propose to the Board of Directors for approval.
4. Arrange the performance appraisal of the Nomination and Remuneration Committee and assess the performance of Chief Executive Director and report to the Company's Directors.
5. Perform prepare the policy and rules to consider the remuneration of the Company's Directors.

Hence, Nomination and Remuneration Committee has performed the duty as assigned with deliberation, transparent, righteous, and independent according to the good corporate governance, with the regards to the highest benefits of the Company and all stakeholders at most.

Associate Professor Niputh Jitprasonk
Chairman of the Nomination and Remuneration Committee

REPORT OF THE RISK MANAGEMENT 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 2017, there were three 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 2017, 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 CORPORATE GOVERNANCE COMMITTEE

To the Shareholders of AIRA Capital Public Company Limited

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.

In 2017, 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 2017, the Company held the Annual General Meeting of Shareholders on 24 April 2017 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, determination of auditor's remuneration and approval of financial statements 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 (<https://airacapital.co.th>) or through the Investor Relations division, telephone 0-2684-8981, facsimile 0-2684-8980 or Email: 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 2017, 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 24 April 2017 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 2017, 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 1 October – 31 December 2017.

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 2017, 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 2017, directors complied with the said policy.

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 protect the property and copyright where the Company has a policy and practical measures to prevent any and all infringement of intellectual property.

2. 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. In 2017, no stakeholders report any clues or complaints to the Company.

3. 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. In 2017, the Company organized "The Sustainable Development", a CSR activity

that the company has been running for the third consecutive year, is intended to be a part of supporting and developing the education of children and youth. The event was held on November 24, 2017 at Lychee Uthit School, Pathumthani, the management and employees of the company has participated in the event.

4. Prescribing the explicit and tangible policy and practical guideline in relation to the Company's workforce development. In 2017, the Company sent its personnel to attend 43 courses of workshops and seminars with the total of 435 hours.

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 2017, the Company provided the disclosure of information and transparency as follows.

1. 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.

2. 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.

3. 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 2017, 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 2017, the Audit Committee had a total of 5 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 2017, 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 Risk Management Committee

In 2017, the Risk Management Committee had a total of 3 meetings, consisted of 4 members with the following names.

Names	Positions
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

2.4 Corporate Governance Committee

In 2017, 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

2.5 Investment Committee

In 2017, the Investment Committee had a total of 4 meetings, consisted of 4 members with the following names.

Names	Positions
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 2017, the Board of Directors took parts in considering and approving the following matters:

- 1) Approved the establishment of 1 (one) new subsidiaries, namely, AIRA Asset Management Limited;
- 2) 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;
- 3) Approve the financial projection of the Company and subsidiaries;
- 4) Approve the organization chart of the company;
- 5) Approved the 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;
- 6) Approved the agenda of the Annual General Meeting of Shareholders and approved the Annual General Meeting of Shareholders for the year 2017;

- 7) To approve the following matters before proposing to shareholders to consider and approve the agenda of the Annual General Meeting of Shareholders for the year 2017;
 - Certify the Minutes of the Annual General Meeting of Shareholders
 - Certify the annual financial statements
 - Certify to allocate profit to legal reserve and the annual dividend payment of the company
 - Consider the election of directors to replace the retiring directors
 - Approved the directors' remunerations;
 - Appointment of the Company's auditor and the audit fee.
- 8) Approve the review of the information technology policy;
- 9) Consider strategic business planning of the company;
- 10) Approved the review of the good corporate governance policy;
- 11) Approved the review of the Code of Conduct;
- 12) Approved the review of the Vision and Mission;
- 13) Approved the review of charters of the Board of Directors and sub-committees;
- 14) Approved the performance reports of the committees to monitor and supervise the performance of the committees effectively;
- 15) Approved the 2017 performance evaluation form of directors and sub-committees, including the performance evaluation form of the Chief Executive Officer (CEO)

4. Board of Directors' Meeting

Details of attendances of the directors in the 2017 Annual General Meeting of Shareholders, Board of Directors' meeting and meetings of the sub-committees in 2017 are as follows.

Names of the Company's member of the Board	2017 Annual General Meeting of Shareholders	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Corporate Governance Committee	Investment Committee
1. Mr. Pakorn Malakul na Ayudhya	1/1	6/6					
2. Mr. Nopporn Picha	1/1	6/6	5/5				
3. Mrs. Jiraporn Chamnasiri	1/1	6/6	5/5			2/2	
4. Associate professor Anchalee Pipatnasern	1/1	6/6	5/5				
5. Associate Professor Niputh Jitprasonk	0/1	6/6		2/2	3/3		
6. Mr. Prinya Waiwatana	1/1	6/6		2/2	3/3		4/4
7. Mr. Anant Sirisaengtaksin	1/1	4/6			3/3		

Names of the Company's member of the Board	2017 Annual General Meeting of Shareholders	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Corporate Governance Committee	Investment Committee
8. Mrs. Kongkeaw Piamduaytham	1/1	6/6				2/2	
9. M.R. Kasemvisuthi Visuthi	1/1	6/6		2/2			
10. Mr. Wisoot Karnchanapunyapong	1/1	6/6				2/2	4/4
11. Mr. Wutthiphum Jurangkool	1/1	3/6					
12. Mrs. Naline Ngamsetthamas	1/1	6/6					4/4

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.

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 2017, the Board of Directors scheduled the meeting of the non-executive directors on 13 December 2017 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 2017, the Board of Directors scheduled the meeting of the independent directors on 13 December 2017 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 2017, the 2017 Annual General Meeting of Shareholders on 24 April 2017 approved the remuneration of directors and sub-committee in the form of meeting allowance in attending the relevant meeting, with the following details.

The Board of directors

Chairman	Baht 25,000 / Meeting
Other Directors	Baht 15,000 / Meeting

Audit Committee

Chairman	Baht 15,000/ Meeting
Other Audit Committee	Baht 8,000 / Meeting

Sub Committee*

Chairman of Sub Committee	Baht 12,000 / Meeting
Other Directors	Baht 6,000 / Meeting

- Remark:** (1) The Chair person and directors of the Board of Directors or the sub-committee who are also the executives shall receive one-half of the attendance fees payable to the Chairman and directors who are external directors.
- (2) Sub Committee*, including the Audit Committee, the Investment Committee, the Corporate Governance Committee, the Nomination and Remuneration Committee, and the Risk Management Committee.

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 2017, not new directors are appointed.

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 2017, 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 2017, none the Director of the Company attended the courses of the Thai Institute of Directors Association (IOD) , the 12 Board of Directors have been trained in directorate courses of IOD as detailed below.

Courses	Number of trained directors (persons)	List of Directors
Director Accreditation Program (DAP)	6	<ol style="list-style-type: none"> 1. Mr. Nopporn Phicha 2. Mrs. Chiraporn Chemnasiri 3. M.R. Kasemvisuth Visuthi 4. Mr. Prinya Waiwatana 5. Mr .Wisoot Karnchanapunyapong 6. Mrs. Naline Ngamsetthamas

Courses	Number of trained directors (persons)	List of Directors
Director Certification Program (DCP)	8	<ol style="list-style-type: none"> 1. Mr. Anant Sirisaengtaksin 2. Mr. Nopporn Phicha 3. Mrs. Chiraporn Chemnasiri 4. Associate Professor Anchalee Pipatanasern 5. Mr. Prinya Waiwatana 6. Associate Professor Niputh Jitprasonk 7. Mrs. Kongkeaw Piamduaytham 8. Mr. Wutthiphum Jurangkool
Audit Committee Program (ACP)	4	<ol style="list-style-type: none"> 1. Mrs. Chiraporn Chemnasiri 2. Associate Professor Anchalee Pipatanasern 3. Mr. Prinya Waiwatana 4. Associate Professor Niputh Jitprasonk
Advanced Audit Committee Program (AACP)	4	<ol style="list-style-type: none"> 1. Mr. Anant Sirisaengtaksin 2. Mr. Nopporn Phicha 3. Mrs. Chiraporn Chemnasiri 4. Mrs. Kongkeaw Piamduaytham
Corporate Governance for Capital Market Intermediaries (CGI)	5	<ol style="list-style-type: none"> 1. Mr. Nopporn Phicha 2. Mrs. Chiraporn Chemnasiri 3. Associate Professor Anchalee Pipatanasern 4. Mr. Wisoot Karnchanapunyapong 5. Mrs. Naline Ngamsetthamas
Financial Institutions Governance Program (FGP)	1	<ol style="list-style-type: none"> 1. Mr. Pakorn Malakul na Ayudhya
Financial Statements for Directors (FSD)	1	<ol style="list-style-type: none"> 1. Mr. Wutthiphum Jurangkool
IOD Exclusive Event (M-IEE)	1	<ol style="list-style-type: none"> 1. Mrs. Naline Ngamsetthamas
Monitoring the Internal Audit function (MIA)	2	<ol style="list-style-type: none"> 1. Associate Professor Anchalee Pipatanasern 2. Associate Professor Niputh Jitprasonk
Monitoring the System of Internal Control and Risk Management (MIR)	3	<ol style="list-style-type: none"> 1. Associate Professor Anchalee Pipatanasern 2. Mr. Prinya Waiwatana 3. Associate Professor Niputh Jitprasonk
Monitoring Fraud Risk Management (MFM)	1	<ol style="list-style-type: none"> 1. Associate Professor Anchalee Pipatanasern
Monitoring of the Quality of Financial Reporting (MFR)	1	<ol style="list-style-type: none"> 1. Associate Professor Anchalee Pipatanasern
Role of the Compensation Committee (RCC)	1	<ol style="list-style-type: none"> 1. Mr. Prinya Waiwatana

Courses	Number of trained directors (persons)	List of Directors
The role of Chairman Program (RCP)	4	1. Mr. Pakorn Malakul na Ayudhya 2. Associate Professor Anchalee Pipatanasern 3. Mr. Wisoot Karnchanapunyapong 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 Netsrine 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.

Mrs. Kongkeaw Piamduaytham

Chairman of the Corporate Governance Committee

REPORT OF THE INVESTMENT COMMITTEE

To the Shareholders of AIRA Capital Public Company Limited

The Investment Committee of AIRA Capital Public Company Limited has been appointed by the Board of Directors. All members of the Investment Committee are fully qualified with expertise and characteristics specified in the Investment Committee Charter. All members of the Investment Committee are fully responsible for general and specific tasks assigned by the Board of Directors under the roles and responsibilities indicated in the Charter, particularly in determining policies, criteria, and investment plans are complied with the Board of Directors' investment policy, the committee also efficiently study the information on business opportunity to obtain the benefit for the Company, including investment supervision and intensive monitoring which regularly reported to the Board of Directors.

In 2017, 4 (Four) Investment Committee meetings were held in total to consider significant issues, where the meeting agendas and minutes, together with productive comments and suggestions were reported to the Board of Directors. In addition, the Investment Committee had considered the establishment of 1 (one) new subsidiary to strengthen financial competitiveness of AIRA Group as well as the increase of investment budgets to be allocated to its subsidiaries and associated companies, supported by various reports on the progress of investments, investment management plans, and performances of subsidiaries and associated companies.

Meanwhile, the Investment Committee committed to pursuing its roles and responsibilities with extreme carefulness and transparency, significantly aiming at the maximum benefit of the Company, shareholders, and stakeholders.

Mrs. Naline Ngamsetthamas
Chairman of the Investment 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, 2017, 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.

Mrs. Naline Ngamsetthamas
Chief Executive Officer

Mr. Pakorn Malakul na Ayudhya
Chairman of the Board of Director

AUDITOR'S REPORT

Independent 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 2017, 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 2017, 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 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 judgment, 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 of subsidiary company 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 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 recognized 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 judgment 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 gained an understanding of, 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.

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. If, based on the work I have performed, I concluded that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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 judgment 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.

I am responsible for the audit resulting in this independent auditor's report.

Chayapol Suppasdtanon

Certified Public Accountant (Thailand) No. 3972

EY Office Limited

Bangkok: 26 February 2018

AUDIT'S FEE

1. Audit Fee

In the year 2017, 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 (Baht)	Audit Fee (Singapore Dollars)
AIRA Capital Public Company Limited	EY Office Limited	580,000	-
AIRA Securities Public Company Limited	EY Office Limited	1,300,000	-
AIRA Factoring Public Company Limited	EY Office Limited	900,000	-
AIRA Advisory Company Limited	EY Office Limited	200,000	-
AIRA International Advisory (Singapore) Pte. Ltd.	Ernst & Young LLP	-	14,000
AIRA Property Company Limited	EY Office Limited	300,000	-
Aspiration One Company Limited	EY Office Limited	400,000	-
AIRA Leasing Public Company Limited	EY Office Limited	850,000	-
AIRA Venture Capital Limited	WISE Consultant (Thailand) CO.,LTD	30,000	-
AIRA Asset Management Limited	Dr. VIRACH & Associates Office Co., Ltd	100,000	-
Audit Fee		<u>4,660,000</u>	<u>14,000</u>

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 2017, 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.

FINANCIAL HIGHLIGHT

Financial Highlight of AIRA Capital Public Company Limited for the year 2017 as follow:

- (1) Summary Financial Statement**
- (2) Financial Ratio Analysis**

(1) Summary Financial Statement

The financial Statement, which comprise the statement of financial position, statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement from the consolidated financial statements for the year ended 31 December 2017, 31 December 2016 and 31 December 2015 respectively, Reviewed by Independent Auditor's in the past three years, the Independent Auditor's has presented the unconditional audit report.

Statement of financial position

(Unit : Baht)

Descriptions	As at 31 December 2017	%	As at 31 December 2016	%	As at 31 December 2015	%
Assets						
Current assets						
Cash and cash equivalents	964,904,512	12.07	938,957,718	12.95	934,040,039	16.03
Short-term investments	83,003,035	1.04	401,941,112	5.54	564,721,670	9.69
Receivables from Clearing House and broker - dealers	399,296,302	4.99	521,538,887	7.19	92,537,623	1.59
Securities and derivatives business receivables	1,568,724,972	19.62	1,706,644,103	23.54	1,169,920,429	20.07
Factoring receivables	2,648,427,861	33.12	2,116,439,480	29.20	2,349,173,186	40.30
Current portion of finance lease receivables	49,233,099	0.62	11,753,156	0.16	-	-
Current portion of hire purchase receivables	37,024,830	0.46	1,878,455	0.03	-	-
Current portion of loans receivable	15,689,503	0.20	6,032,000	0.08	5,421,046	0.09
Other receivables	24,559,500	0.31	33,954,969	0.48	22,932,800	0.39
Other current assets	38,598,793	0.48	20,829,098	0.29	12,894,400	0.22
Total current assets	5,829,462,407	72.89	5,759,968,978	79.46	5,151,641,193	88.38
Non-current assets						
Restricted deposit	3,166	0.00	227,743	0.00	4,400,000	0.08
Finance lease receivables – net of current portion	150,591,798	1.88	49,183,106	0.68	-	-
Hire purchase receivables-net of current portion	73,468,828	0.92	-	-	-	-
Loans receivable – net of current portion	22,762,961	0.29	24,628,005	0.34	-	-
Investments in associates	896,414,366	11.21	631,661,721	8.71	266,690,660	4.58
Other long-term investments	3,000,000	0.04	3,000,000	0.04	3,000,000	0.05
Equipment	197,637,620	2.47	223,861,857	3.09	96,307,014	1.65
Goodwill	137,736,928	1.72	137,736,928	1.90	134,896,425	2.31
Other intangible assets	121,124,063	1.52	113,804,240	1.57	111,176,637	1.91
Deferred tax assets	7,448,429	0.09	6,182,953	0.09	5,277,843	0.09
Assets held for sale	7,076,300	0.09	9,230,900	0.13	9,853,200	0.17
Prepaid rental expenses	491,894,166	6.15	233,491,390	3.22	-	-
Other non-current assets	58,515,117	0.73	56,075,773	0.77	45,584,222	0.78
Total non-current assets	2,167,673,742	27.11	1,489,084,616	20.54	677,186,001	11.62
Total assets	7,997,136,149	100.00	7,249,053,594	100.00	5,828,827,194	100.00

Statement of financial position (continued)

(Unit : Baht)

Descriptions	As at 31 December 2017	%	As at 31 December 2016	%	As at 31 December 2015	%
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	2,317,000,000	28.97	1,935,000,000	26.69	1,229,637,225	21.10
Payables to Clearing House and broker - dealers	128,435,096	1.61	5,291,587	0.07	126,289,449	2.17
Securities and derivatives business payables	735,118,564	9.19	696,723,376	9.61	195,533,711	3.35
Excess receipts awaiting to repay	37,099,930	0.46	57,592,472	0.79	18,049,948	0.31
Other payables	69,897,841	0.87	56,809,942	0.78	6,065,459	0.10
Current portion of liabilities under finance lease agreements	15,506,174	0.19	16,033,812	0.22	457,112	0.01
Current portion of subordinated debentures	-	-	-	-	200,000,000	3.43
Bills of exchange	99,917,876	1.25	459,566,822	6.34	637,238,007	10.93
Retention from factoring	37,252,109	0.47	52,592,129	0.73	46,278,533	0.79
Income tax payable	1,494,950	0.02	18,610,531	0.26	5,806,636	0.10
Other current liabilities	14,187,813	0.18	15,769,846	0.21	35,397,832	0.61
Total current liabilities	3,455,910,353	43.21	3,313,990,517	45.72	2,500,753,912	42.90
Non-current liabilities						
Non-current portion of liabilities under finance lease agreements	27,731,039	0.35	38,499,239	0.53	-	-
Subordinated debentures	200,000,000	2.50	200,000,000	2.76	-	-
Provision for long-term employee benefits	18,091,079	0.23	23,621,736	0.33	22,047,005	0.38
Deferred tax liabilities	16,517,660	0.21	8,135,714	0.11	4,048,505	0.07
Other non-current liabilities	5,549,835	0.07	5,430,521	0.07	5,120,837	0.09
Total non-current liabilities	267,889,613	3.35	275,687,210	3.80	31,216,347	0.54
Total liabilities	3,723,799,966	46.57	3,589,677,727	49.52	2,531,970,259	43.44
Shareholders' equity						
Share capital						
Registered						
7,160,000,000 ordinary shares of Baht 0.25 each	1,790,000,000	22.38	1,790,000,000	24.69	1,790,000,000	30.71
Issued and paid-up						
6,039,485,338 ordinary shares of Baht 0.25 each						
(31 December 2016 : 5,647,362,944 ordinary shares of Baht 0.25 each)	1,509,871,335	18.88	1,411,840,736	19.48	1,374,190,128	23.58
Share premium	2,579,295,430	32.25	1,959,868,514	27.04	1,781,411,439	30.56
Capital reserve for share-based payment transactions	-	-	-	-	1,422,513	0.02
Cash receipt of share subscription	-	-	2,527,209	0.03	4,734,791	0.08
Retained earnings						
Appropriated – statutory reserve	16,202,163	0.20	15,627,921	0.22	11,209,551	0.19

Statement of financial position (continued)

(Unit : Baht)

Descriptions	As at 31 December 2017	%	As at 31 December 2016	%	As at 31 December 2015	%
Inappropriate	(466,912,957)	(5.84)	(180,158,330)	(2.49)	(68,890,975)	(1.18)
Other component of shareholders' equity	(8,625,983)	(0.11)	(94,801,692)	(1.31)	(66,175,857)	(1.13)
Equity attributable to shareholders of the Company	3,629,829,988	45.39	3,114,904,358	42.97	3,037,901,590	52.12
Non-controlling interests of the subsidiaries	643,506,195	8.05	544,471,509	7.51	258,955,345	4.44
Total shareholders' equity	4,273,336,183	53.44	3,659,375,867	50.48	3,296,856,935	56.56
Total liabilities and shareholders' equity	7,997,136,149	100.00	7,249,053,594	100.00	5,828,827,194	100.00

Statement of comprehensive income

(Unit : Baht)

Descriptions	For the year ended 31 December 2017	%	For the year ended 31 December 2016	%	For the year ended 31 December 2015	%
Revenues						
Brokerage fees	325,585,983	41.88	415,191,839	50.87	398,803,134	54.35
Fees and services income	61,089,963	7.86	61,104,133	7.49	57,914,837	7.89
Gain on investments	8,038,065	1.03	14,418,586	1.77	-	-
Interest and dividend	57,715,852	7.42	41,086,057	5.03	52,705,565	7.18
Interest on margin loans	83,629,387	10.76	88,136,014	10.80	65,368,524	8.91
Interest income from factoring	172,274,151	22.16	149,893,662	18.37	155,960,934	21.26
Hire purchase and finance lease income	10,820,145	1.39	-	-	-	-
Rental and services income	51,045,323	6.57	28,927,581	3.54	-	-
Other incomes	7,233,569	0.93	17,363,598	2.13	2,971,835	0.41
Total revenues	777,432,438	100.00	816,121,470	100.00	733,724,829	100.00
Expenses						
Operating and administrative expenses						
Personnel expenses	395,307,667	50.85	389,016,274	47.67	336,077,318	45.80
Depreciation and amortization	68,953,381	8.87	49,909,040	6.12	38,316,172	5.22
Fees and services expenses	55,097,236	7.09	62,183,282	7.62	56,583,093	7.71
Other expenses	176,947,823	22.76	166,271,572	20.37	150,507,340	20.51
Total operating and administrative expenses	696,306,107	89.56	667,380,168	81.77	581,484,578	79.25
Bad debt and doubtful accounts	21,234,269	2.73	3,381,700	0.41	52,381,591	7.14
Loss on investments	-	-	-	-	53,219,878	7.25
Total expenses	717,540,376	92.30	670,761,868	82.19	687,086,047	93.64
Profit before share of loss from investments in associates, finance costs and income tax expenses	59,892,062	7.70	145,359,602	17.81	46,638,782	6.36
Share of loss from investments in associates	(184,820,384)	(23.77)	(126,718,018)	(15.53)	(33,439,046)	(4.56)
Profit before finance costs and income tax expenses	(124,928,322)	(16.07)	18,641,584	2.28	13,199,736	1.80
Finance costs	(100,542,843)	(12.93)	(85,442,338)	(10.47)	(98,805,906)	(13.47)
Profit (loss) before income tax expenses	(225,471,165)	(29.00)	(66,800,754)	(8.19)	(85,606,170)	(11.67)
Income tax expenses	(2,775,261)	(0.36)	(30,684,470)	(3.76)	(15,221,530)	(2.07)
Profit (loss) for the year	(228,246,426)	(29.36)	(97,485,224)	(11.94)	(100,827,700)	(13.74)
Other comprehensive income:						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>						
Loss on re-measuring available-for-sale investments	42,951,591	5.52	(15,315,213)	(1.88)	(29,149,065)	(3.97)
Exchange differences on translation of financial statement in foreign currency	685,990	0.09	1,592,149	0.20	(843,753)	(0.11)

Statement of comprehensive income (continued)

(Unit : Baht)

Descriptions	For the year ended 31 December 2017	%	For the year ended 31 December 2016	%	For the year ended 31 December 2015	%
Income tax relating to the components of other comprehensive income	(8,590,318)	(1.10)	3,063,043	0.38	5,829,813	0.79
Other comprehensive income to be reclassified to profit or loss in subsequent periods – net of income tax	35,047,263	4.51	(10,660,021)	(1.31)	(24,163,005)	(3.29)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>						
Actuarial gain (loss)	4,746,612	0.61	1,944,664	0.24	(3,946,440)	(0.54)
Income tax relating to the components of other comprehensive income	(842,581)	(0.11)	(361,210)	(0.04)	333,715	0.05
Share of other comprehensive income of associates	(533,713)	(0.07)	(138,614)	(0.02)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods – net of income tax	3,370,318	0.43	1,444,840	0.18	(3,612,725)	(0.49)
Other comprehensive income for the year	38,417,581	4.94	(9,215,181)	(1.13)	(27,775,730)	(3.79)
Total comprehensive income for the year	(189,828,845)	(24.42)	(106,700,405)	(13.07)	(128,603,430)	(17.53)
Profit (loss) attributable to:						
Equity holders of the Company	(231,887,500)	(29.83)	(107,835,586)	(13.21)	(98,962,717)	(13.49)
Non-controlling interests of the subsidiaries	3,641,074	0.47	10,350,362	1.27	(1,864,983)	(0.25)
	(228,246,426)	(29.36)	(97,485,224)	(11.94)	(100,827,700)	(13.74)
Total comprehensive income attributable to:						
Equity holders of the Company	(194,624,335)	(25.03)	(117,668,221)	(14.42)	(126,654,072)	(17.26)
Non-controlling interests of the subsidiaries	4,795,490	0.62	10,967,816	1.34	(1,949,358)	(0.27)
	(189,828,845)	(24.42)	(106,700,405)	(13.07)	(128,603,430)	(17.53)
Earnings per share						
Basic earnings per share						
Profit (loss) attributable to equity holders of the Company	(0.039)		(0.019)		(0.021)	
Diluted earnings per share						
Profit (loss) attributable to equity holders of the Company						

Cash flow statement

(Unit : Baht)

Descriptions	For the year ended 31 December 2017	For the year ended 31 December 2016	For the year ended 31 December 2015
Cash flows from operating activities			
Profit (loss) before tax	(225,471,165)	(66,800,754)	(85,606,170)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid for) operating activities:			
Depreciation	63,427,744	45,780,113	29,230,151
Amortization of intangible assets	5,525,637	4,137,577	3,087,976
Interest and dividend income	(57,715,852)	(41,086,057)	(52,705,565)
Interest on margin loans income	(83,629,387)	(88,136,014)	(65,368,524)
Hire purchase and finance lease income	(10,820,145)	-	-
Finance costs	100,542,843	85,442,338	98,805,906
Long-term employee benefits expenses	6,837,051	4,110,224	5,649,810
Share-based payment transactions	-	1,540,467	1,136,514
Loss from sales of available-for sale securities	105,111	-	-
Gain on disposal of equipment	(5,962,395)	(11,836,307)	(1,891,873)
Loss from write-off equipment and intangible assets	61,299	27,162	-
Allowance for impairment loss on assets held for sale	1,848,000	622,300	1,296,800
Gain from sales of assets held for sale	(93,400)	-	-
Loss (gain) on changing in fair value of investments trading securities	2,554,932	(2,771,627)	(898,742)
Share of loss from investments in associates	184,820,384	126,718,018	33,439,046
Bad debt and doubtful accounts	21,234,269	3,381,700	52,381,591
Profit (loss) from operating activities before changes in operating assets and liabilities	3,264,926	61,129,140	18,556,920
Operating assets decrease (increase)			
Investments in trading securities	260,085,068	(220,294,472)	30,891,446
Receivables from Clearing House	122,242,585	(429,001,264)	386,770,165
Securities and derivatives business receivables	219,416,385	(448,587,660)	215,835,260
Factoring receivables	(549,489,466)	229,482,894	80,824,421
Lease receivables	(131,218,107)	(61,063,028)	-
Hire purchase receivables	(105,758,941)	(1,878,455)	-
Loans receivable	(9,006,663)	(25,238,959)	48,990,614
Other receivables	11,941,007	(2,898,502)	(8,316,929)
Other current assets	(11,919,051)	(3,807,763)	(556,613)
Other non-current assets	(4,602,306)	(11,120,189)	(4,825,278)
Operating liabilities increase (decrease)			
Payables to Clearing House and Securities Company	123,143,509	(120,997,862)	124,435,093
Securities and derivatives business payables	38,395,188	501,189,665	(296,991,596)
Excess receipts awaiting to repay	(20,492,542)	39,542,524	18,049,948

Cash flow statement (continued)

(Unit : Baht)

Descriptions	For the year ended 31 December 2017	For the year ended 31 December 2016	For the year ended 31 December 2015
Retention from factoring	(15,340,020)	6,313,596	(1,087,587)
Other payables	(2,103,841)	(5,863,227)	(2,903,481)
Other current liabilities	(2,747,437)	5,319,192	(52,030,178)
Cash paid for long-term employee benefits	(7,621,096)	(836,749)	(2,710,012)
Other non-current liabilities	119,314	309,684	1,427,384
Cash flows from (used in) operating activities	(81,691,488)	(488,301,435)	556,359,607
Cash received from interest and dividend	55,062,690	40,222,485	119,092,185
Cash paid for interest expenses	(81,322,304)	(71,066,568)	(88,587,900)
Cash received (paid) for corporate income tax	(25,994,563)	(17,307,443)	(45,403,352)
Net cash flows from (used in) operating activities	(133,945,665)	(536,452,961)	541,460,540
Cash flows from investing activities			
Cash received (paid) for purchase of available-for-sale investments	69,076,000	-	(4,570,000)
Cash received (paid) for short-term investment – fixed deposit	5,068,557	395,531,443	(400,600,000)
Cash received from sales of other investments	25,000,000	-	-
Decrease (increase) in restricted fixed deposit	224,577	4,172,257	(4,400,000)
Cash paid for purchase of other long-term investments	-	(25,000,000)	-
Cash received from sales of investments in subsidiaries	-	236,000,000	22,724,500
Cash paid for acquisitions of equipment and intangible assets	(24,257,723)	(64,925,262)	(41,050,174)
Cash received from sales of assets held for sale	400,000	-	-
Cash paid for investments in subsidiaries	-	(21,812,431)	-
Cash paid for investments in associates	(450,000,000)	(491,799,970)	-
Proceeds from sales of equipment	5,987,923	13,708,010	2,085,607
Cash paid for prepaid rental expenses	(258,402,776)	(233,491,390)	-
Net cash flows used in investing activities	(626,903,442)	(187,617,343)	(425,810,067)
Cash flows from financing activities			
Increase (decrease) in short-term loans from financial institutions	382,000,000	705,362,775	(20,362,775)
Cash paid for finance lease liabilities	(19,746,210)	(13,169,853)	(303,024)
Subordinated debentures	-	-	(200,000,000)
Cash received from bills of exchange	1,585,985,196	1,523,393,916	1,369,901,069
Cash paid for bills of exchange	(1,960,000,000)	(1,715,000,000)	(2,290,000,000)
Proceeds from increase in capital of subsidiaries from non-controlling interest	160,000,038	40,000,067	167,080,372
Proceeds from exercise of warrants	714,930,306	208,409,912	11,202,293

Cash flow statement (continued)

(Unit : Baht)

Descriptions	For the year ended 31 December 2017	For the year ended 31 December 2016	For the year ended 31 December 2015
Proceeds from advance receipt of share subscription	-	2,527,209	-
Proceeds from increase in capital	-	-	1,563,523,944
Dividend paid	(56,573,218)	-	(41,224,579)
Dividend paid to non-controlling interest by subsidiary	(20,486,201)	(24,128,192)	(5,196,192)
Net cash flows from financing activities	786,109,911	727,395,834	554,621,108
Differences on transaction of financial statement	685,990	1,592,149	(843,753)
Net increase in cash and cash equivalents	25,946,794	4,917,679	669,427,828
Cash and cash equivalents at beginning of the year	938,957,718	934,040,039	264,621,211
Cash and cash equivalents at end of the year	964,904,512	938,957,718	934,040,039
Supplemental cash flow information			
Non-cash items			
Bad Debt expense	63,253,205	-	-
Purchases of equipment and intangible assets recorded as liabilities	25,866,484	4,955,613	999,318
Purchases of equipment recorded as finance lease liabilities	43,237,213	54,533,052	-
Gain (loss) on re-measuring available-for-sale investments-net of income tax	34,361,273	(12,252,170)	23,319,252
Transfer of intangible assets to equipment	-	1,348,200	-
Actuarial gain (loss) – net of income tax	3,768,763	1,555,371	(3,612,725)

(2) Financial Ratio Analysis

Financial ratio	31 December 2017	31 December 2016	31 December 2015
Profitability Ratio			
Gross profit margin – Securities business (%)	31.70%	36.16%	29.58%
Gross profit margin – Factoring business (%)	76.88%	79.51%	73.31%
Interest rate income - Factoring business (%)	9.06%	8.42%	7.82%
Interest rate expenses - Factoring business (%)	2.80%	2.37%	2.62%
Interest Rate Spread - Factoring business (%)	6.27%	6.05%	5.20%
Gross profit margin – Leasing business (%)	41.29%	43.21%	27.83%
Net profit margin (%)	(29.36%)	(11.94%)	(13.74%)
Return on equity : ROE (%)	(6.88%)	(3.51%)	(5.44%)
Efficiency Ratio			
Current Ratio	1.69	1.74	2.06
Return on asset: ROA (%)	(2.99%)	(1.49%)	(1.76%)
Asset turnover	0.10	0.12	0.13
Financial Ratio			
Current asset to asset ratio	0.73	0.79	0.88
Performing asset to asset ratio	0.59	0.60	0.62
Debt to asset ratio	0.47	0.50	0.43
Debt to equity ratio	0.87	0.98	0.77
Lending ratio per loan (%)	132.37%	137.57%	125.58%
Dividend Payout Ratio (%)	(17.57%)	(58.03%)	(40.89%)
Information per share (Baht)			
Par value per share	0.25	0.25	0.25
Book value per share	0.71	0.65	0.60
Basic earnings per share (Profit attributable to equity holders of the Company)	(0.039)	(0.019)	(0.021)
Diluted earnings per share (Profit attributable to equity holders of the Company)	-	-	-
Dividend per share	0.0094	-	0.0075

Remark :

- Gross Profit Margin Calculation (Securities business) Calculated from consolidated financial statements of AIRA Securities Public Company Limited and Gross Profit Margin Calculation (Factoring business) Calculated from financial statements of AIRA Factoring Public Company Limited.
- Interest rate income - Factoring business, Include income from both interest income and fees and services.
- Dividend Payout Ratio: Dividend per share / Earnings per share Calculated from consolidated financial statements
- Book value per share: Shareholders' equity / Ordinary shares issued.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

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 2017, the Company and its subsidiaries have the total revenue of Baht 777.4 million. The main income Baht 325.6 million comes from brokerage fees in securities business, which is the core company to be listed on The "Market for Alternative Investment (mai)". Secondary income come from interest of factoring business of Baht 172.3 million and the rest was from financial advisory and service fees. Revenues decrease compared to 2016 due to the decreasing of securities market situation. After operating expenses, the Company and its subsidiaries have the loss before share of loss from investments in associates of Baht 43.4 million. However, loss sharing from investment in associates of Baht 184.8 million causes to net loss for the year 2017 of Baht 228.2 million.

The SET Index has started to slightly increased since the third quarter of 2017. The market is expected to rebound soon after the end of August, as the average daily turnover has significant slightly increased. This was supported by improving domestic political situation and Investors' expectations about the Baht currency. Despite of the price fluctuations in the short term at the end of 2017, the SET index has finally closed at 1,753.71 points, with trading value of both SET and MAI in the year 2017 totaling Baht 21,899,207 million, a decrease of 5% from the year 2016.

The overview of the factoring business in the year 2017 is usually in line with the economic situation. On the third quarter of 2017 grew by 4.3%, accelerating from 3.8% in the previous quarter. This is the highest growth rate in the past 18 quarters which supported by accelerated export growth. And the continued expansion of private consumption. Government spending and manufacturing investment in spite of construction sector was slow down. The Thai economy in the third quarter of 2017 expanded from the second quarter by 1.0%. Totalling of nine months of 2017, the Thai economy expanded by 3.8%.

It is expected that the Thai economy in 2017 will expand by 3.9%. Exports grew by 8.6%. Total private consumption and investment grew by 3.2% and 2.0%, respectively. The inflation was 0.7%, and current account surplus by 10.4% of GDP.

Major changes of the company in 2017

- (1) Participation in the Collective Action Coalition of the Thai Private Sector on Anti-Corruption. The Company has already submitted all documents to the Thai Anti-Corruption Action Program Committee for consideration.

- (2) AIRA and AIFUL Public Company Limited, a affiliate company increased registered capital from Baht 2,500 million to Baht 4,000 million. The Company has a 30% shareholding in this company, capital increase amount of Baht 450 million to support business growth.
- (3) AIRA Securities Public Company Limited, a subsidiary company has been certified as a member of the Thai private sector from the Committee of the Thai Private Sector's Anti-Corruption Action Program, being the first company of the group. This is an important step in the success of all forms of anti-corruption.
- (4) The additional investment in AIRA Leasing Public Company Limited ("a subsidiary") is Baht 296.25 million (296.25 million shares with a par value of Baht 1 each) to support the business growth. The Company has a 91.85% shareholding in this company
- (5) Increase in the registered capital of AIRA International Advisory (Singapore) Pte. Ltd. (a subsidiary) from 500,000 ordinary shares of SGD 1 each to 1,500,000 ordinary shares of SGD 1 each. The Company has a 96.67% shareholding in this company
- (6) Improvement in Core System of Factoring and Leasing Business to comply with modern technology and to enhance the efficiency of service and meet the needs of customers better.
- (7) Aspiration One Company Limited which the first landmark under the management of AIRA Group at Ratchathewi intersection started construction in November, 2017. It is expected that the piling will be completed by April 2018 and all building should be completed by the end of 2019.
- (8) Travelex (Thailand) Limited started operations of foreign exchange services. The first store opened on the lower floor of Wall Street building, Surawong Road, and plans to expand 3-4 stores in the airport and business areas in 2018.
- (9) Establishment of AIRA Asset Management Company Limited ("AIAM") on 2 March 2017. Share Registered of Baht 100.0 million, providing Private Fund management services, Mutual Fund and Securities Brokerage of Investment Units. The company has a 99.99% shareholding in this company.

2. Performance and Profitability

Regarding the results of operations for the year ending 31 December 2017, the Company and its subsidiaries have the total revenue of Baht 777.43 million, which was a decrease of Baht 38.69 million from the year 2016, with the total revenue of Baht 816.12 million, representing decreased by 4.74 %. While the Company and its subsidiaries have the total operating and administrative expenses of Baht 696.3 million in 2017, a increase of Baht 28.90 million from the year 2016, representing increased by 4.33% from business expansion.

In terms of revenue, the Company and its subsidiaries have significant revenue from interest income of factoring business of Baht 172.27 million, which increased by Baht 22.38 million, from Baht 149.89 million, compared to the previous year. This represents an increase of 14.93%, interest income from factoring represents

22.16% and 18.37% of the total income of the years 2017 and 2016, respectively. Caused by increasing of the purchases of factoring receivables. Other revenue came from rental income and service income of Leasing business, the amount of Baht 51.0 million, an increase of Baht 22.07 million from Baht 28.93 million when compared to the previous year, representing an increase of 76.29%.

In terms of revenue from Securities business for the year 2017, is brokerage fees, Fees and services income in total of Baht 325.59 million and Baht 61.09 million, or 41.88% and 7.86% of the total revenue, respectively. For the year 2016, the Company and its subsidiaries have revenue from brokerage fees, Fees and services income in the total of Baht 415.19 million and Baht 61.10 million, or equal to 50.87% and 7.49% of the total revenue, respectively. The brokerage fees for the year 2017 have decreased from the previous year due to high competition in securities business. Fee and service income for the year 2017 nearly to amount of 2016. Another revenue of the securities business is interest on margin loans. Interest on margin loans for the year 2017 total Baht 83.63 million, a decrease of Baht 4.51 million from Baht 88.14 million in the year 2016, or a decrease of 5.11%.

In 2017, the Company and its subsidiaries had gain on investments in securities include Interest and dividend received amounting to Baht 65.7 million, a increase of Baht 10.2 million from Baht 55.5 million in the year 2016, or a increase of 18.5%. Gain on investments in securities represents 8.4% and 6.8% of the total income of the years 2017 and 2016, respectively.

For the operating and administrative expenses, the Company and its subsidiaries have the operating and administrative expenses for the year 2017 of Baht 696.3 million. The significant expenses is the personnel expenses of Baht 395.3 million, representing 56.77% of the operating and administrative expenses, which increased by Baht 6.3 million from the year 2016, representing a increase of 1.61%. The personnel expenses increment includes salary, employees benefit. Especially in the leasing business this is fully operational starting from the beginning of 2017. Moreover, there are the Depreciation and amortization of Baht 68.95 million, representing 9.90% of the operating and administrative expenses which increased by Baht 19.04 million from the year 2016, representing a growth of 38.16%. The Fees and services expenses are Baht 55.10 million, representing 7.91% of the operating and administrative expenses which decreased by Baht 7.09 million from the year 2016, and representing 11.40%. Most of the Fees and services expenses are fees paid to the Clearing House and Stock Exchange according to the trading volume etc.

For the year 2017, the Company and its subsidiaries have the bad debt and doubtful accounts totaling Baht 21.23 million, which increased by Baht 17.85 million from the year 2016. 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 18.72 million. The Securities business has the bad debt and doubtful accounts totaling Baht 2.13 million. While leasing business, bad debt and doubtful accounts from previous customers before acquisition of the company was Baht 0.29 million.

The financial cost of the Company and its subsidiaries for the year 2017 totaling Baht 100.54 million, which increased by Baht 15.10 million from the year 2016, representing a increase of 17.67%. The reasons for the increase in financial expenses varied according to the amount of loans from financial institutions, according to the expansion of the factoring business. The working capital of the securities business, as well as the increase of interest rate, is the cost of borrowing.

In the year 2017, the Company recognized the share of loss from investments in associates, AIRA & AIFUL Public Company Limited and Travelex (Thailand) Company Limited which were Baht 184.82 million. It's still early in the business. In the year 2016, the Company recognized the share of loss from investments in associates, which was Baht 126.72 million. By the end of 31 December 2017, AIRA & AIFUL Public Company Limited had expanded to 89 branches and service points covering by 826 employees, 285,898 customers, and loan outstanding of 4,640 million baht.

Investment in TRAVELEX (Thailand) Company Limited. At present, it operates its first branch at the lower level of Wall Street, Surawong Road, and plans to expand its branches in the airport and business areas. Expected opening 3-4 branches in 2018

The Company and its subsidiaries has the net loss for the year 2017 of Baht 228.2 million, which increased by Baht 130.7 million from the year 2016, representing a increase of 134.1%. Most of the loss was attributed to the subsidiary's new business and the loss on investment at the beginning of the associate's operation. However, the performance of the securities business and factoring business which are core businesses of the Group are still profitable.

In terms of profitability, there are significant changes that include:

1. The gross margin of securities business in 2017 is 31.7%, down from 36.16% in FY 2016, due to the high competition in securities business. However, the company has strategy to recover by having the policy to increase the value of investment to customers. To maintain the existing customer base and increase new customer base. The free seminars provided for investment knowledge to investors. In addition, the training program is developed for marketing staff to build the customer impression.
2. The gross margin of the factoring business in 2017 was 76.68%, down from 79.51% in 2016, as a result of higher interest expenses on financial institutions. AIRA Factoring has new strategy by expanding its customer base to the SME segment, resulting in a higher spread in interest rates than 2016. Then, net profit showed Baht 53.27 million for the year 2017 which better than 2016.

3. Financial position and ability to manage property

The total assets of the Company and its subsidiaries as of 31 December 2017 were Baht 7,997.14 million, an increase of Baht 748.1 million from the total assets as of 31 December 2016, which was in the amount of Baht 7,249.05 million, representing an increase of 10.3%. The main assets were derived from cash and cash equivalents in the total of Baht 964.90 million which increased by Baht 25.95 million, representing an increase of 2.76%. For the year 2016, cash and cash equivalents in the total of Baht 938.96 million.

Securities and derivatives business receivables, which decreased from Baht 1,706.64 million as at 31 December 2016 to Baht 1,568.72 million as at 31 December 2017. This was due to the decrease number of cash balance account receivable.

Receivables from Clearing House on 31 December 2017 totaling Baht 399.30 million, a decrease of Baht 122.24 million compared to the receivables from Clearing House as at 31 December 2016 of Baht 521.54 million, representing a decrease of 23.44%. The receivables from Clearing House decrease was due to the increased price settlement of securities traded on the Stock Exchange.

Factoring receivables are core asset of Factoring business as of 31 December 2017 were Baht 2,648.43 million, an increase of Baht 531.99 million from as of 31 December 2016 were Baht 2,116.44 million. As of 31 December 2017 representing 33.12% of total asset and as of 31 December 2016 representing 29.20% of total asset.

Loans receivable which being a debtor in the factoring business ,as of 31 December 2017 were Baht 38.45 million, compare with Baht 30.66 million on 2016 .

Other intangible assets as of 31 December 2017 were Baht 121.12 million, an increase of Baht 7.32 million from 2016 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 2017 was a total of Baht 3,723.80 million. This is an increase of Baht 134.12 million from Baht 3,589.68 million in total liabilities as of 31 December 2016, representing an increase of 3.74%. The increased liabilities include bank overdrafts and short-term loans from financial institutions, Payables to Clearing House, the securities and derivatives business payables which increased from 31 December 2016 in the amount of Baht 382.0 million, Baht 123.14 million and Baht 38.40 million, respectively. While decreased liabilities are from Excess receipts awaiting to repay , bill of exchange and Retention from factoring which decreased as at 31 December 2016, in the amount of Baht 20.49 million , Baht 359.65 million and Baht 15.34 million, respectively.

The shareholders equity of the Company and its subsidiaries as of 31 December 2017 totaling Baht 4,273.33 million, an increase of Baht 613.96 million from 31 December 2016. The shareholders equity was Baht 3,659.38 million, representing an increase of 16.79%. This is due to increased registered capital and paid-up capital from the ordinary shares of 5,647,362,944 shares as of 31 December 2016 to 6,039,485,338 shares as of 31 December 2017. In addition, issued and paid-up capital and share premium as at 31 December 2017 in the amount of Baht 1,509.87 million and Baht 2,579.30 million, respectively. As of 31 December 2016, issued and

paid-up capital and share premium in the amount of Baht 1,411.84 million and Baht 1,959.87 million, respectively. Due to an increase of the total liabilities is less than shareholders equity, the ratio of debt to equity as of 31 December 2017 decreased to 0.87 times from the ratio of 0.98 times as at 31 December 2016.

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 2015, 2016 and 2017, AS had a net capital adequacy ratio of 86.48%, 58.48% and 89.76%, 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 2017, the Company and its subsidiaries had commitments of Baht 169 million in respect of the rental of space for the minimum lease of a building and other services at the beginning of the 1st year to 5th year 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 and on process to submit the application for business license from the Office of the Securities and Exchange Commission (SEC) and Ministry of Finance.

Corporate Social Responsibility

Company's Policy

AIRA and its subsidiaries champion environmental and social responsibility by enthusiastically participating in several social responsibility activities. We make it our top primary mission to be a social responsible organization.



Help flood victims

AIRA Capital Public Company Limited donates fund to support Thai Red Cross activities for flood victims in the affected provinces in southern of Thailand.



Support Veterans

AIRA Capital Plc's staffs donated fund and needed supplies to the veterans which is one of our mission to help and support those who are in needed at Thai Veteran General Hospital on 25th April 2017.



AIRA for Society to Sustainability Development 2017

“AIRA for Society to sustainability development”, the social responsible project from AIRA group which is the 3rd year of the project. This year, AIRA group management team representatives and staffs donated fund, books, school supplies, sport equipment and needed supplies to LincheeUthit School and attend activities workshop with the students to meet the company’s CSR policy on 24th November 2017.

Activities in 2017



Annual Alms

AIRA Capital's staffs attend Chamchuri Square Annual Alms 2017 on January 9, 2017 at Chamchuri square building, G floor.



Private party with business alliance

Ms. Naline Ngamsetthamas- CEO, AIRA Capital Plc. Together with Mr. Rikiya Hattori- Deputy President, Sumitomo Mitsui Trust Bank, Japan. Held Private dinner for A+ Class customers with the objective to introduce Japan investment guide and also introduce Sumitomo Mitsui Trust Bank to the target customer in Thailand on February 15, 2017 at Library 1918Room, Dusit Thani Bangkok Hotel.



AIRA MOU with Thanachart Bank

Ms. Naline Ngamsetthamas - CEO, AIRA Capital Plc and President, Aspiration One Co., Ltd. Witness the Financial Supported MOU signing value THB 1,000 million for the property development of Aspiration One Co. Ltd. At Thanachart Bank, Petchaburi rd. on 22nd February 2017.



AIRA Opportunity Day

Ms. Naline Ngamsetthamas – CEO, AIRA Capital Plc. And Mr. Pairoj Luengtalerngphong – CEO, AIRA Securities Plc. present company report of 4Q2016 and company's investment plan to investors, researchers and media for AIRA Opportunity Day on 27th March 2016 at Stock Exchange of Thailand



Celebrate Thai New Year

AIRA's Executive managers and staffs celebrate Thai New Year (Water festival) by dress up in Thai traditional costume and pouring water to the elderly directors to pay respects and being blessed to cultivate value of Thai culture.



The Annual General Meeting 2017

Corporate Directors of AIRA groups announce company's performance in the Annual General Meeting 2017 which was held on Monday 24th April 2017 at Bussaba Room, Mandarin Bangkok Hotel.



10 Anniversary celebration

AIRA Group held “A Decade Anniversary of AIRA Group” party in order to celebrate the success and to thank you all confederate for the past 10 years. The party was held on 15th May 2017 at The Ballroom, Anantara Siam Bangkok Hotel.

AIRA Group at MAI Forum 2017

The executive team of AIRA Group attended MAI Forum 2017 at booth 24 and 31 to present company’s information and services at Convention Hall, Centara Grand at Central World Hotel, 22nd Floor on 1st July 2017.



Co-Host of Royal Funeral Ceremony

AIRA Capital Plc have a co-host of royal funeral ceremony for the late King Rama IX on Sunday 20 August 2017 at 5.00 pm at Dusit Mahaprasat Throne Hall, The Grand Palace on 20th August 2017.



Making Funeral woods flowers for royal cremation

AIRA group's staffs joins the training session in making funeral woods flowers for the late HM King Bhumibol Aduldej's Royal Cremation.



"AIRA One Project" Groundbreaking Ceremony

Mr. Pakorn Malakul Na Ayudhya - Chairman, Mr. Sansern-Mrs. Hatairat Jurangkool- AIRA shareholders, Mr. Chusiri Kaiyanan-Assistant Director, Crown property bureau, Mrs. Naline Ngamsetthamas -CEO together with directors of AIRA Group attend the Groundbreaking Ceremony for "AIRA One Project" The office building and the first landmark of AIRA Group in Ratchtewi area, Bangkok Downtown on 18th September 2017.

AIRA Capital Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2017

Independent 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 2017, 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 2017, 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 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 of subsidiary company 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 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 gained an understanding of, 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.

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. If, based on the work I have performed, I concluded that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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.

I am responsible for the audit resulting in this independent auditor's report.

A handwritten signature in black ink, appearing to read 'Chayapol Suppasdtanon'.

Chayapol Suppasdtanon
Certified Public Accountant (Thailand) No. 3972

EY Office Limited
Bangkok: 26 February 2018

AIRA Capital Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Assets					
Current assets					
Cash and cash equivalents	7	964,904,512	938,957,718	232,837,590	373,427,928
Short-term investments	8	83,003,035	401,941,112	-	30,068,557
Receivables from Clearing House and broker - dealers	9	399,296,302	521,538,887	-	-
Securities and derivatives business receivables	10	1,568,724,972	1,706,644,103	-	-
Factoring receivables	11	2,648,427,861	2,116,439,480	-	-
Current portion of finance lease receivables	12	49,233,099	11,753,156	-	-
Current portion of hire purchase receivables	13	37,024,830	1,878,455	-	-
Current portion of loans receivable	14	15,689,503	6,032,000	-	-
Short-term loans to related parties	6	-	-	94,384,975	61,316,250
Other receivables	15	24,559,500	33,954,969	25,411,619	15,395,458
Other current assets		38,598,793	20,829,098	626,455	566,161
Total current assets		5,829,462,407	5,759,968,978	353,260,639	480,774,354
Non-current assets					
Restricted deposit		3,166	227,743	-	-
Finance lease receivables - net of current portion	12	150,591,798	49,183,106	-	-
Hire purchase receivables - net of current portion	13	73,468,828	-	-	-
Loans receivable - net of current portion	14	22,762,961	24,628,005	-	-
Investments in associates	16	896,414,366	631,661,721	1,241,799,970	791,799,970
Investments in subsidiaries	17	-	-	2,560,782,507	2,214,873,114
Other long-term investments	18	3,000,000	3,000,000	-	-
Equipment	19	197,637,620	223,861,857	3,264,257	4,951,741
Goodwill	17	137,736,928	137,736,928	-	-
Other intangible assets	20	121,124,063	113,804,240	1,190,359	405,324
Deferred tax assets	35	7,448,429	6,182,953	-	-
Assets held for sale	21	7,076,300	9,230,900	-	-
Prepaid rental expenses	17, 22	491,894,166	233,491,390	-	-
Other non-current assets		58,515,117	56,075,773	1,390,302	1,292,037
Total non-current assets		2,167,673,742	1,489,084,616	3,808,427,395	3,013,322,186
Total assets		7,997,136,149	7,249,053,594	4,161,688,034	3,494,096,540

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	23	2,317,000,000	1,935,000,000	-	-
Payables to Clearing House and broker - dealers	24	128,435,096	5,291,587	-	-
Securities and derivatives business payables	25	735,118,564	696,723,376	-	-
Excess receipts awaiting to repay		37,099,930	57,592,472	-	-
Other payables	26	69,897,841	56,809,942	1,531,136	1,845,674
Current portion of liabilities under finance lease					
agreements	27	15,506,174	16,033,812	-	-
Bills of exchange	28	99,917,876	459,566,822	-	-
Retention from factoring		37,252,109	52,592,129	-	-
Income tax payable		1,494,950	18,610,531	-	-
Other current liabilities	30	14,187,813	15,769,846	598,490	3,227,675
Total current liabilities		3,455,910,353	3,313,990,517	2,129,626	5,073,349
Non-current liabilities					
Non-current portion of liabilities					
under hire purchase / finance lease agreements	27	27,731,039	38,499,239	-	-
Subordinated debentures	29	200,000,000	200,000,000	-	-
Provision for long-term employee benefits	31	18,091,079	23,621,736	5,093,472	4,462,789
Deferred tax liabilities	35	16,517,660	8,135,714	-	-
Other non-current liabilities		5,549,835	5,430,521	506,663	444,048
Total non-current liabilities		267,889,613	275,687,210	5,600,135	4,906,837
Total liabilities		3,723,799,966	3,589,677,727	7,729,761	9,980,186

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
Shareholders' equity					
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					
6,039,485,338 ordinary shares of Baht 0.25 each					
(31 December 2016: 5,647,362,944 ordinary shares of Baht 0.25 each)		1,509,871,335	1,411,840,736	1,509,871,335	1,411,840,736
Share premium		2,579,295,430	1,959,868,514	2,579,295,430	1,959,868,514
Cash receipt of share subscription		-	2,527,209	-	2,527,209
Retained earnings					
Appropriated - statutory reserve	34	16,202,163	15,627,921	16,202,163	15,627,921
Unappropriated		(466,912,957)	(180,158,330)	48,589,345	94,251,974
Other component of shareholders' equity		(8,625,983)	(94,801,692)	-	-
Equity attributable to shareholders of the Company		3,629,829,988	3,114,904,358	4,153,958,273	3,484,116,354
Non-controlling interests of the subsidiaries		643,506,195	544,471,509	-	-
Total shareholders' equity		4,273,336,183	3,659,375,867	4,153,958,273	3,484,116,354
Total liabilities and shareholders' equity		7,997,136,149	7,249,053,594	4,161,688,034	3,494,096,540
		-	-	-	-

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

Directors

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Revenues					
Brokerage fees	36	325,585,983	415,191,839	-	-
Fees and services income	37	61,089,963	61,104,133	-	-
Gain on investments		8,038,065	14,418,586	-	36,000,000
Interest and dividend		57,715,852	41,086,057	77,004,460	115,997,811
Interest on margin loans		83,629,387	88,136,014	-	-
Interest income from factoring		172,274,151	149,893,662	-	-
Hire purchase and finance lease income		10,820,145	-	-	-
Rental and services income		51,045,323	28,927,581	-	-
Other incomes		7,233,569	17,363,598	300,915	660,600
Total revenues		777,432,438	816,121,470	77,305,375	152,658,411
Expenses					
Operating and administrative expenses					
Personnel expenses		395,307,667	389,016,274	47,174,137	43,694,259
Depreciation and amortisation		68,953,381	49,909,040	2,422,410	2,106,904
Fees and services expenses		55,097,236	62,183,282	2,221,300	3,350,376
Other expenses		176,947,823	166,271,572	14,002,697	15,066,259
Total operating and administrative expenses		696,306,107	667,380,168	65,820,544	64,217,798
Bad debt and doubtful accounts		21,234,269	3,381,700	-	-
Total expenses		717,540,376	670,761,868	65,820,544	64,217,798
Profit before share of loss from investments in associates,					
finance costs and income tax expenses		59,892,062	145,359,602	11,484,831	88,440,613
Share of loss from investments in associates	16	(184,820,384)	(126,718,018)	-	-
Profit (loss) before finance costs and income tax expenses		(124,928,322)	18,641,584	11,484,831	88,440,613
Finance costs		(100,542,843)	(85,442,338)	-	(73,205)
Profit (loss) before income tax expenses		(225,471,165)	(66,800,754)	11,484,831	88,367,408
Income tax expenses	35	(2,775,261)	(30,684,470)	-	-
Profit (loss) for the year		(228,246,426)	(97,485,224)	11,484,831	88,367,408

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 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on re-measuring available-for-sale investments		42,951,591	(15,315,213)	-	-
Exchange differences on translation of financial statement in foreign currency		685,990	1,592,149	-	-
Income tax relating to the components of other comprehensive income	35	(8,590,318)	3,063,043	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		35,047,263	(10,660,021)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain		4,746,612	1,944,664	-	-
Share of other comprehensive income of associates	16	(533,713)	(138,614)	-	-
Income tax relating to the components of other comprehensive income	35	(842,581)	(361,210)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		3,370,318	1,444,840	-	-
Other comprehensive income for the year		38,417,581	(9,215,181)	-	-
Total comprehensive income for the year		(189,828,845)	(106,700,405)	11,484,831	88,367,408
Profit (loss) attributable to:					
Equity holders of the Company		(231,887,500)	(107,835,586)	11,484,831	88,367,408
Non-controlling interests of the subsidiaries		3,641,074	10,350,362		
		(228,246,426)	(97,485,224)		
Total comprehensive income attributable to:					
Equity holders of the Company		(194,624,335)	(117,668,221)	11,484,831	88,367,408
Non-controlling interests of the subsidiaries		4,795,490	10,967,816		
		(189,828,845)	(106,700,405)		
Earnings per share	39				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.039)	(0.019)	0.002	0.016
Diluted earnings per share					
Profit (loss) attributable to equity holders of the Company				0.002	0.015

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 2017

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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 2017

(Unit: Baht)

		Separate financial statements						
		Issued and paid-up		Capital reserve	Cash receipt	Retained earnings		Total
				for share-based	of share	Appropriated -		shareholders'
	Note	share capital	Share premium	payment transactions	subscription	statutory reserve	Unappropriated	equity
Balance as at 31 December 2015		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	32	-	-	-	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		-	-	-	-	4,418,370	(4,418,370)	-
Balance as at 31 December 2016		1,411,840,736	1,959,868,514	-	2,527,209	15,627,921	94,251,974	3,484,116,354
Balance as at 31 December 2016		1,411,840,736	1,959,868,514	-	2,527,209	15,627,921	94,251,974	3,484,116,354
Profit for the year		-	-	-	-	-	11,484,831	11,484,831
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	11,484,831	11,484,831
Dividend paid	40	-	-	-	-	-	(56,573,218)	(56,573,218)
Capital increase due to convert								
warrants to shares	32	98,030,599	619,426,916	-	(2,527,209)	-	-	714,930,306
Appropriation of retained earnings	34	-	-	-	-	574,242	(574,242)	-
Balance as at 31 December 2017		1,509,871,335	2,579,295,430	-	-	16,202,163	48,589,345	4,153,958,273
		0	0		0	0	0	0
		0	0		0	0	0	0

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

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit (loss) before tax	(225,471,165)	(66,800,754)	11,484,831	88,367,408
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid for) operating activities:				
Depreciation	63,427,744	45,780,113	2,351,445	2,078,338
Amortisation of intangible assets	5,525,637	4,137,577	70,965	28,566
Interest and dividend income	(57,715,852)	(41,086,057)	(77,004,460)	(115,997,811)
Interest on margin loans income	(83,629,387)	(88,136,014)	-	-
Hire purchase and finance lease income	(10,820,145)	-	-	-
Finance costs	100,542,843	85,442,338	-	73,205
Long-term employee benefits expenses	6,837,051	4,110,224	630,683	600,572
Share-based payment transactions	-	1,540,467	-	290,998
Loss from sales of available-for-sale securities	105,111	-	-	-
Gain on disposal of equipment	(5,962,395)	(11,836,307)	-	-
Loss from write-off equipment and intangible assets	61,299	27,162	-	27,089
Allowance for impairment loss on assets held for sale	1,848,000	622,300	-	-
Gain on disposal of assets held for sale	(93,400)	-	-	-
Unrealised loss (gain) on exchange	-	-	67,869	2,251,402
Loss (gain) on changing in fair value of investments in trading securities	2,554,932	(2,771,627)	-	-
Gain on sales of investments in subsidiaries	-	-	-	(36,000,000)
Share of loss from investments in associates	184,820,384	126,718,018	-	-
Bad debt and doubtful accounts	21,234,269	3,381,700	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	3,264,926	61,129,140	(62,398,667)	(58,280,233)
Operating assets decrease (increase)				
Investments in trading securities	260,085,068	(220,294,472)	-	-
Receivables from Clearing House	122,242,585	(429,001,264)	-	-
Securities and derivatives business receivables	219,416,385	(448,587,660)	-	-
Factoring receivables	(549,489,466)	229,482,894	-	-
Finance lease receivables	(131,218,107)	(61,063,028)	-	-
Hire purchase receivables	(105,758,941)	(1,878,455)	-	-
Loans receivable	(9,006,663)	(25,238,959)	-	-
Other receivables	11,941,007	(2,898,502)	103,130	(123,130)
Other current assets	(11,919,051)	(3,807,763)	(97,042)	54,491
Other non-current assets	(4,602,306)	(11,120,189)	-	(547,936)
Operating liabilities increase (decrease)				
Payables to Clearing House and broker - dealers	123,143,509	(120,997,862)	-	-
Securities and derivatives business payables	38,395,188	501,189,665	-	-
Excess receipts awaiting to repay	(20,492,542)	39,542,524	-	-
Retention from factoring	(15,340,020)	6,313,596	-	-
Other payables	(2,103,841)	(5,863,227)	(74,759)	1,085,434
Other current liabilities	(2,747,437)	5,319,192	(2,887,147)	(5,195,218)
Cash paid for long-term employee benefits	(7,621,096)	(836,749)	-	-
Other non-current liabilities	119,314	309,684	62,615	69,872
Cash flows used in operating activities	(81,691,488)	(488,301,435)	(65,291,870)	(62,936,720)
Cash received from interest and dividend	55,062,690	40,222,485	7,560,758	11,631,750
Cash paid for interest expenses	(81,322,304)	(71,066,568)	-	(73,205)
Cash received (paid) for corporate income tax	(25,994,563)	(17,307,443)	(61,516)	558,156
Net cash flows used in operating activities	(133,945,665)	(536,452,961)	(57,792,628)	(50,820,019)

Cash flow statement (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Decrease (increase) in short-term loan to subsidiaries	-	-	(33,141,458)	223,992,330
Cash received from sales of available-for-sale investments	69,076,000	-	-	-
Decrease in short-term investment - fixed deposit	5,068,557	395,531,443	5,068,557	395,531,443
Cash received from sales of other investments	25,000,000	-	25,000,000	-
Decrease in restricted fixed deposit	224,577	4,172,257	-	4,400,000
Cash paid for other long-term investments	-	(25,000,000)	-	(25,000,000)
Cash received from sales of investments in subsidiaries	-	236,000,000	-	236,000,000
Cash paid for acquisitions of equipment and intangible assets	(24,257,723)	(64,925,262)	(1,501,779)	(2,649,734)
Cash received from sales of assets held for sale	400,000	-	-	-
Cash paid for investments in subsidiaries	-	(21,812,431)	(345,909,393)	(487,319,932)
Cash paid for investments in associates	(450,000,000)	(491,799,970)	(450,000,000)	(491,799,970)
Dividend received from subsidiaries	-	-	59,329,275	89,790,044
Proceeds from sales of equipment	5,987,923	13,708,010	-	-
Cash paid for prepaid rental expenses	(258,402,776)	(233,491,390)	-	-
Net cash flows used in investing activities	(626,903,442)	(187,617,343)	(741,154,798)	(57,055,819)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	382,000,000	705,362,775	-	-
Cash paid for liabilities under finance lease agreements	(19,746,210)	(13,169,853)	-	-
Cash received from bills of exchange	1,585,985,196	1,523,393,916	-	-
Cash paid for bills of exchange	(1,960,000,000)	(1,715,000,000)	-	-
Proceeds from increase in capital of subsidiaries				
from non-controlling interest	160,000,038	40,000,067	-	-
Proceeds from exercise of warrants	714,930,306	208,409,912	714,930,306	208,409,912
Proceeds from advance receipt of share subscription	-	2,527,209	-	2,527,209
Cash paid for dividend	(56,573,218)	-	(56,573,218)	-
Dividend paid to non-controlling interest by subsidiary	(20,486,201)	(24,128,192)	-	-
Net cash flows from financing activities	786,109,911	727,395,834	658,357,088	210,937,121
Differences on transaction of financial statement	685,990	1,592,149	-	-
Net increase (decrease) in cash and cash equivalents	25,946,794	4,917,679	(140,590,338)	103,061,283
Cash and cash equivalents at beginning of the year	938,957,718	934,040,039	373,427,928	270,366,645
Cash and cash equivalents at end of the year	964,904,512	938,957,718	232,837,590	373,427,928
	-	-	(0)	-
Supplemental cash flow information				
Non-cash items				
Write off bad debt	63,253,205	-	-	-
Purchases of equipment and intangible assets recorded				
as liabilities	25,866,484	4,955,613	192,600	174,418
Purchases of equipment recorded as finance lease liabilities	43,237,213	54,533,052	-	-
Gain (loss) on re-measuring available-for-sale investments				
- net of income tax	34,361,273	(12,252,170)	-	-
Transfer of intangible assets to equipment	-	1,348,200	-	-
Actuarial gain - net of income tax	3,768,763	1,555,371	-	-

AIRA Capital Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2017

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 and its subsidiary

- a) AIRA Property Public Company Limited domiciled in Thailand and its principal activity is engaged in property development.
- b) Aspiration One Company Limited is a subsidiary of AIRA Property Public Company Limited, domiciled in Thailand, and is principally engaged in property development.

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 hire purchase, finance lease 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.

1.8 General information of AIRA Asset Management Company Limited

AIRA Asset Management Company Limited domiciled in Thailand and operates an asset management business, providing private fund, mutual fund management and securities brokerage of investment units services. It is currently preparing documents to apply for a Type C license to operate securities business under the Office of the Securities and Exchange Commission ("SEC") and the Ministry of Finance.

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 11 October 2016, 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	
			2017	2016
<u>Held by the Company</u>				
AIRA Securities Plc. and	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	96.67	90.00
AIRA Property Plc. and	Property industry	Thailand	60.00	60.00
AIRA Leasing Plc.	Hire purchase, finance lease and operating lease for industrial equipment and machines	Thailand	91.85	80.00
AIRA Venture Capital Co., Ltd.	Venture capital business	Thailand	99.99	99.99
AIRA Asset Management Co., Ltd.	Asset management	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 its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are 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 adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries’ financial statements. However, one standard involves changes to key principals, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates 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.

This standard is not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate 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 revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

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 credit balance 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 amortisation of customers' deposits

Cash which customers have placed with the subsidiary for security trading 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 and broker - dealers

Receivables from Clearing House and broker - dealers 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 domestic and overseas brokers, included cash collateral or cash for trade settlement pledged with domestic and 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 and including interest receivables.

In addition, securities business receivables include the net receivable balance of cash accounts, credit balance accounts, collateral receivables (which comprise cash placed as security with securities lenders or clearing house) 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 fully recovered. 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 Finance lease receivables and hire purchase receivables and allowance for doubtful accounts

Finance lease receivables and hire purchase receivables are stated at the contract value net of unearned finance income and allowance for doubtful accounts.

Operating lease receivables are stated at invoice amount less allowance for doubtful accounts.

The subsidiary provides a general reserve of allowance for doubtful accounts for which is based on a percentage of net receivables at the end of each year. The percentage used in calculation is based on experience and the analysis of payment rate in the past. For debtors with payment problem, the subsidiary provides allowance for doubtful accounts based on the estimated collection losses that may be incurred in collection of receivables or have a collection risk, consideration of the current status of receivables and their ability to make payment.

4.9 Loans receivable

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

4.10 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.

4.11 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
Machines and equipment	3 and 5 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.

4.12 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
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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.

4.13 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.

4.14 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.

4.15 Assets held for sale

Assets held for sale are stated at the lower of cost (fair value with reference to appraisal value, providing this does not exceed the legally claimable amount of debt) and estimated net realisable value.

Gain (loss) on disposal of assets held for sale are recognised in profit or loss in the statements of comprehensive income upon disposal.

Loss on impairment (if any) is recognised as an expense in profit or loss in the statements of comprehensive income.

4.16 Prepaid rental expenses

Prepaid rental expenses are stated at cost less accumulated amortisation. The subsidiary amortise prepaid rental expenses on a straight-line basis over the rental period.

The amortisation of prepaid rental expenses during development of project is capitalised to project under development. After the development of project is completed, the amortisation of prepaid rental expenses will be charged to profit or loss.

4.17 Related party transactions

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

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 and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.18 Long-term leases

Leases of asset 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 asset 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 profit or loss on a straight-line basis over the lease term.

4.19 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.

4.20 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.

4.21 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 based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans 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.

4.22 Payables to Clearing House and broker - dealers

Payables to Clearing House and broker - dealers 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 domestic and overseas brokers.

4.23 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.

4.24 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.

4.25 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.

4.26 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.

4.27 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 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, finance lease receivables, hire purchase 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 available-for-sale investments and other 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 2017 and 2016 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
AIRA Venture Capital Co., Ltd.	Subsidiary
AIRA Asset Management 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
Travellex (Thailand) Limited	Associate
Alliance Co., Ltd.	Common management with AIRA Securities Plc.
Summit Windmill Golf Club Co., Ltd.	Common major shareholder
Summit Auto Body Industry Co., Ltd.	Common major shareholder
Private funds managed by AIRA Securities Plc.	Managed by AIRA Securities Plc.
Industrial Cleaning Service Plc.	Common major shareholder (ceased being a related party since January 2017)
Krung Thai Tractor Co., Ltd.	Common directors with AIRA Leasing Plc.

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		Transfer Pricing Policy
	2017	2016	2017	2016	
Transactions with subsidiaries					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	69,632	104,672	Normal rate declared to ordinary investors
Interest income	-	-	2,903	4,138	Market rate
Other income	-	-	300	-	Agreed upon basis
Purchase of bills of exchange	-	-	-	1,097,447	Market rate
Other expenses	-	-	76	77	Agreed upon basis
Interest expenses	-	-	-	73	Market rate

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2017	2016	2017	2016	
Transactions with associates					
Purchase of bills of exchange	2,667,112	297,511	-	-	Market rate
Transactions with related parties					
Brokerage fees income	451	261	-	-	Normal rate charged to ordinary customers
Fees and services income	2,734	3,418	-	-	Price stated in contract
Rental and service income	373	543	-	-	Price stated in contract
Other income	-	13,380	-	-	Agreed upon basis
Interest expenses	2,500	1,884	-	-	Market rate
Premises expenses	6,051	5,465	-	-	Price stated in contract
Other expenses	2,604	1,733	-	-	Agreed upon basis
Purchase of machine and equipment	12,391	20,726	-	-	Agreed upon basis
Transactions with the directors and shareholders of the Company's group					
Sales of bills of exchange	4,176,696	1,801,116	-	-	Market rate
Gain on sale of investments	3,008	35	-	-	Market rate
Brokerage fees income	30,321	36,831	-	-	Normal rate charged to ordinary customers
Interest expenses	17,925	17,080	-	-	Market rate
Premises expenses	540	540	-	-	Price stated in contract

The balances of accounts as at 31 December 2017 and 2016 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Subsidiaries				
(Eliminated from the consolidated financial statements)				
Short-term loans	-	-	94,385	61,316
Dividend receivable	-	-	25,185	14,882
Interest receivables	-	-	206	364
Other receivables	-	-	-	123
Other payables	-	-	13	7
Related parties				
Factoring receivables	-	11,366	-	-
Other receivables	5,205	10,403	-	-
Rental deposits	1,348	1,348	-	-
Other payables	223	948	-	-
Subordinated debentures	50,000	50,000	-	-
Accrued interest expenses	630	630	-	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Directors and shareholders of the				
Company's group				
Securities business receivables	10,913	51,384	-	-
Cash collateral	213,445	113,712	-	-
Rental deposits	135	135	-	-
Securities business payables	50,045	97,459	-	-
Bills of exchange	99,918	439,575	-	-
Subordinated debentures	60,000	60,000	-	-
Accrued interest	756	756	-	-

Loans to related parties

As at 31 December 2017 and 2016, 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 31 December 2016	Increase	Decrease	Translation	Balance as at 31 December 2017
AIRA Leasing Public						
Company Limited	Subsidiary	-	540,000	(500,000)	-	40,000
AIRA International Advisory						
(Singapore) Pte. Ltd.	Subsidiary	61,316	157,704	(164,563)	(72)	54,385
		<u>61,316</u>	<u>697,704</u>	<u>(664,563)</u>	<u>(72)</u>	<u>94,385</u>

As at 31 December 2017, short-term loans to AIRA Leasing Public Company Limited of Baht 40 million is unsecured loans, carrying interest at rate of 2% per annum and due at call.

The outstanding balance as at 31 December 2017 of short-term loans to AIRA International Advisory (Singapore) Pte. Ltd. of SGD 2.5 million or Baht 54.39 million are unsecured loans, carrying interest at rate of 2% per annum and mature on 19 April 2018.

Bills of exchange to related parties

As at 31 December 2017 and 2016, the balance of bills of exchange between its subsidiary and the subsidiary's shareholders and the movement are as follows:

(Unit: Thousand Baht)

Related by	Consolidated financial statements			Balance as at 31 December 2017
	Balance as at 31 December 2016	Increase	Decrease	
Subsidiary's shareholders	439,575	1,520,343	(1,860,000)	99,918

Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term benefits	117,499	116,895	25,767	27,348
Post-employment benefits	5,519	2,725	1,881	-
Share-based payment benefits	-	857	-	289
Total	123,018	120,477	27,648	27,637

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash, deposits at financial institutions, notes receivables and government bonds with maturity less than three months	2,581,232	2,686,312	232,838	373,428
Less: Deposits, notes receivables and government bonds of customers' account of subsidiary	(1,616,327)	(1,747,354)	-	-
Total cash and cash equivalents	964,905	938,958	232,838	373,428

8. Investments

8.1 Cost and fair value

(Unit: Thousand Baht)

	Consolidated financial statements			
	2017		2016	
	Cost	Fair value	Cost	Fair value
Short-term investments				
Trading securities				
Listed securities	4,074	4,020	264,159	266,660
Add (less): Allowance for revaluation	(54)	-	2,501	-
Total trading securities - net	4,020	4,020	266,660	266,660
Available-for-sale securities				
Listed securities	103,554	78,983	173,809	105,213
Less: Allowance for revaluation	(24,571)	-	(68,596)	-
Total available-for-sale securities - net	78,983	78,983	105,213	105,213
Held-to-maturity investments				
Fixed deposit with maturity over 3 months but less than 1 year	-		5,068	
Other investments				
Equity securities	-		25,000	
Total other investment	-		25,000	
Total short-term investments	83,003		401,941	

(Unit: Thousand Baht)

Separate financial statements

	2017	2016
Fixed deposit with maturity over 3 months but less than 1 year	-	5,068
Other investments	-	25,000
Total short-term investment	-	30,068

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 gain (loss) on re-measuring available-for-sale investment recognised in shareholders' equity

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2017	2016
Balance - beginning of the year	(56,166)	(43,914)
Changes during the year (net of income tax)		
- Disposal	23,425	-
- Revaluation	10,936	(12,252)
Balance - end of the year	(21,805)	(56,166)

9. Receivables from Clearing House and broker - dealers

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2017	2016
Receivables from Clearing House	455,768	388,244
Receivables from overseas securities companies	252,941	317,207
Less: Receivables from Clearing House for customers' account of subsidiary	(77,104)	(25,697)
Receivables from overseas securities companies for customer's account of subsidiary	(232,309)	(158,215)
Total receivables from Clearing House and broker - dealers	399,296	521,539

10. Securities and derivatives business receivables

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2017	2016
Securities business receivables		
Cash accounts	477,670	301,503
Credit balance accounts	1,083,825	1,397,274
Other receivables	2,132	-
Total	1,563,627	1,698,777
Add: Accrued interest receivables	7,230	7,867
Less: Allowance for doubtful accounts	(2,132)	-
Total securities business receivables	1,568,725	1,706,644

(Unit: Thousand Baht)

	Consolidated financial statements	
	2017	2016
Derivatives business receivables		
Derivatives business receivables	-	-
Less: Allowance for doubtful accounts	-	-
Total derivatives business receivables	-	-
Total securities and derivatives business receivables	1,568,725	1,706,644

10.1 As at 31 December 2017, the subsidiary has customers' accounts of approximately Baht 2.1 million (2016: Nil) for which it has stopped recognising interest income.

10.2 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 2017 and 2016, securities business receivables are classified as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	2017			2016		
	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	1,569	-	1,569	1,707	-	1,707
Doubtful debts	2	(2)	-	-	-	-
Total	1,571	(2)	1,569	1,707	-	1,707

10.3 Allowance for doubtful accounts for securities business receivables

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the years ended 31 December	
	2017	2016
Balance at beginning of the year	-	-
Add: Doubtful accounts	2,132	-
Balance at end of the year	2,132	-

11. Factoring receivables

(Unit: Thousand Baht)

	Consolidated financial statements	
	2017	2016
Factoring receivables	3,347,308	2,602,070
Accrued interest income from factoring	7,399	5,820
Total	3,354,707	2,607,890
Less: Factoring payables	(628,546)	(433,118)
Unearned interest income	(16,302)	(14,392)
Total	2,709,859	2,160,380
Less: Allowance for doubtful accounts	(61,431)	(43,941)
Factoring receivables - net	2,648,428	2,116,439

The balances of factoring receivables as at 31 December 2017 and 2016, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

Age of factoring receivables	Consolidated financial statements	
	2017	2016
Factoring receivables - unrelated parties		
Not yet due	3,094,011	2,478,273
Past due		
Up to 3 months	157,059	31,347
3 - 6 months	12,431	24,220
Over 6 months	83,807	54,022
Total factoring receivables - unrelated parties	3,347,308	2,587,862
Factoring receivables - unrelated parties		
Not yet due	-	14,208
Total factoring receivables - unrelated parties	-	14,208
Total factoring receivables	3,347,308	2,602,070

As at 31 December 2017, factoring receivables which were overdue for over 6 months presented amounting to Baht 84 million (2016: Baht 54 million) before setting off the amount repayable to the transferor upon settlement of the factored debts amounting to Baht 21 million (2016: Baht 18 million). The subsidiary has provided a full amount of allowance for doubtful accounts for such net receivables.

Movements of allowance for doubtful accounts of factoring receivables are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the years ended 31 December	
	2017	2016
Balance - beginning of the year	43,941	42,595
Add: Bad debt and doubtful accounts	17,501	3,250
Less: Write off bad debt	(11)	(1,904)
Balance - end of the year	61,431	43,941

12. Finance lease receivables

12.1 As at 31 December 2017 and 2016, 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	
	2017	2016	2017	2016	2017	2016
Finance lease receivables	59,870	14,806	163,972	54,672	223,842	69,478
Less: Unearned finance income	(10,566)	(3,029)	(13,107)	(5,386)	(23,673)	(8,415)
Total	49,304	11,777	150,865	49,286	200,169	61,063
Less: Allowance for doubtful accounts	(71)	(24)	(273)	(103)	(344)	(127)
Finance lease receivables - net	49,233	11,753	150,592	49,183	199,825	60,936

12.2 As at 31 December 2017 and 2016, the balances of finance lease receivables (net of unearned finance lease income) are classified by aging as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2017	2016
<u>Age of receivables</u>		
Not yet due	200,169	61,063
Total	200,169	61,063
Less: Allowance for doubtful accounts	(344)	(127)
Finance lease receivables - net	199,825	60,936

12.3 As at 31 December 2017 and 2016, 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			
	2017		2016	
	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	59,870	49,304	14,806	11,777
After one year but not more than five years	163,972	150,865	54,672	49,286
Total	223,842	200,169	69,478	61,063
Less: Unearned finance income	(23,673)		(8,415)	
Net investment in finance lease contracts	200,169		61,063	

13. Hire purchase receivables

13.1 As at 31 December 2017 and 2016, 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	
	2017	2016	2017	2016	2017	2016
Hire purchase receivables	42,892	1,971	79,178	-	122,070	1,971
Less: Unearned finance income	(5,848)	(93)	(5,652)	-	(11,500)	(93)
Total	37,044	1,878	73,526	-	110,570	1,878
Less: Allowance for doubtful accounts	(19)	-	(57)	-	(76)	-
Hire purchase receivables - net	37,025	1,878	73,469	-	110,494	1,878

13.2 As at 31 December 2017 and 2016, the balances of hire purchase receivables (net of unearned hire purchase income) are classified by aging as follows:

(Unit: Thousand Baht)

		Consolidated financial statements	
		2017	2016
<u>Age of receivables</u>			
Not yet due		110,570	1,878
Total		110,570	1,878
Less: Allowance for doubtful accounts		(76)	-
Hire purchase receivables - net		110,494	1,878

13.3 As at 31 December 2017 and 2016, 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			
		2017		2016	
		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		42,892	37,044	1,971	1,878
After one year but not more than five years		79,178	73,526	-	-
Total		122,070	110,570	1,971	1,878
Less: Unearned finance income		(11,500)		(93)	
Net investment in hire purchase contracts		110,570		1,878	

14. Loans receivable

(Unit: Thousand Baht)

		Consolidated financial statements					
		Current portion of loans receivable		Loans receivable - net of current portion		Total	
		2017	2016	2017	2016	2017	2016
Loans receivable		16,320	13,403	23,347	77,877	39,667	91,280
Less: Allowance for doubtful accounts		(630)	(7,371)	(584)	(53,249)	(1,214)	(60,620)
Loans receivable - net		15,690	6,032	22,763	24,628	38,453	30,660

During the year 2012, 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 2017, the subsidiary wrote off 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 2017, the subsidiary received principal and interest payments totaling Baht 3.8 million and Baht 1.1 million, respectively (2016: the subsidiary received principal and interest payment totaling Baht 2.4 million and Baht 0.7 million, respectively). As at 31 December 2017, the loan receivable balance amounted to Baht 23 million (2016: Baht 26 million).

And on 19 July 2017, the subsidiary has restructured factoring receivables by means of modification of terms. The balance before restructuring amounted to Baht 1.5 million and the repayment period was about 2 years. However, this restructuring by modification of terms does not result in any loss. During the year ended 31 December 2017, the subsidiary received principal and interest payments totaling Baht 0.3 million and Baht 0.1 million, respectively. As at 31 December 2017, the loan receivable balance amounted to Baht 1.2 million.

Movement of allowance for doubtful accounts of loans receivable are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the year ended 31 December	
	2017	2016
Balance - beginning of the year	60,620	60,620
Add: Bad debt and doubtful account	1,214	-
Less: Write off bad debt	(60,620)	-
Balance - end of the year	1,214	60,620

15. Other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Dividend receivables	-	-	25,185	14,882
Accrued fee income	9,333	10,095	-	-
Employee receivables	7,899	10,309	-	-
Others	7,328	13,551	227	513
Total	24,560	33,955	25,412	15,395

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	
			2017	2016	2017	2016	2017	2016
			(%)	(%)				
AIRA & AIFUL Public Company Limited	Consumer finance	Thailand	30	30	1,200,000	750,000	857,915	590,424
Travelex (Thailand) Limited	Foreign of currency exchange	Thailand	38	38	41,800	41,800	38,499	41,238
Total					1,241,800	791,800	896,414	631,662

(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	
			2017	2016	2017	2016	2017	2016	2017	2016
			(%)	(%)						
AIRA & AIFUL Public Company Limited	Consumer finance	Thailand	30	30	1,200,000	750,000	-	-	1,200,000	750,000
Travelex (Thailand) Limited	Foreign of currency exchange	Thailand	38	38	41,800	41,800	-	-	41,800	41,800
Total					1,241,800	791,800	-	-	1,241,800	791,800

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.

On 24 February 2017, a meeting of the Board of Directors of the Company approved the resolution 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. The Company made payment for the shares on 25 May 2017. Its percentage of shareholding in the subsidiary is unchanged.

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.

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 financial statements		Separate financial statements	
	Share of loss from investments in associates during the year		Share of other comprehensive income from investments in associates during the year	
	2017	2016	2017	2016
AIRA & AIFUL Public Company Limited	(182,081)	(126,156)	(427)	(111)
Travelex (Thailand) Limited	(2,739)	(562)	-	-
Total	(184,820)	(126,718)	(427)	(111)

Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	AIRA & AIFUL Public Company Limited		Travelex (Thailand) Limited	
	2017	2016	2017	2016
Current assets	4,911	1,943	102	108
Non-current assets	176	167	2	1
Current liabilities	(2,218)	(141)	(2)	-
Non-current liabilities	(9)	(1)	-	-
Net assets	2,860	1,968	102	109
Shareholding percentage (%)	30%	30%	38%	38%
Share of net assets	858	590	38	41
Elimination entries	-	-	-	-
Goodwill	-	-	-	-
Carrying amount of associate based on the equity method	858	590	38	41

Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December			
	AIRA & AIFUL Public Company Limited		Travelex (Thailand) Limited	
	2017	2016	2017	2016
Revenue	900.4	230.7	1.1	0.2
Loss	(606.9)	(420.5)	(7.2)	(1.5)
Other comprehensive income (loss)	(1.4)	(0.4)	-	-
Total comprehensive income (loss)	(608.3)	(420.9)	(7.2)	(1.5)

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 share capital		Shareholding percentage		Cost		Dividend received by the Company for the year	
	2017	2016	2017	2016	2017	2016	2017	2016
			(%)	(%)				
AIRA Securities Plc.	1,100	1,100	99.99	99.99	1,133	1,133	33	44
AIRA Factoring Plc.	400	400	71.55	71.55	584	584	37	61
AIRA International Advisory (Singapore) Pte. Ltd.	37	12	96.67	90.00	36	11	-	-
AIRA Property Plc.	500	500	60.00	60.00	300	300	-	-
AIRA Leasing Plc.	500	204	91.85	80.00	478	182	-	-

(Unit: Million Baht)

Company's name	Paid-up share capital		Shareholding percentage		Cost		Dividend received by the Company for the year	
	2017	2016	2017	2016	2017	2016	2017	2016
			(%)	(%)				
AIRA Venture Capital Co., Ltd.	5	5	99.99	99.99	5	5	-	-
AIRA Asset Management Co., Ltd.	25	-	-	-	25	-	-	-
Total					2,561	2,215	70	105

Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2017	2016	2017	2016	2017	2016	2017	2016
	(%)	(%)						
AIRA Factoring Plc.	28.45	28.45	155	153	15	14	15	24
AIRA Property Plc.	40.00	40.00	198	200	(0.2)	(0.1)	-	-
Aspiration One Co., Ltd.*	64.00	64.00	251	157	(5.6)	(2.5)	-	-

* Held by AIRA Property Plc.

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.	
	2017	2016	2017	2016	2017	2016
Current assets	2,730	2,189	104	348	168	10
Non-current assets	50	56	392	152	494	236
Current liabilities	2,225	1,691	0.6	0.2	26	1
Non-current liabilities	9,747	14	0.1	-	0.1	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.	
	2017	2016	2017	2016	2017	2016
Revenue	221	190	3	1	0.7	1
Profit (loss)	53	51	(5)	(0.3)	(9)	(5)
Other comprehensive income	4	2	-	-	-	-
Total comprehensive income (loss)	57	53	(5)	(0.3)	(9)	(5)

Summarised information about cash flow

(Unit: Million Baht)

	For the years ended 31 December					
	AIRA Factoring Plc.		AIRA Property Plc.		Aspiration One Co., Ltd.	
	2017	2016	2017	2016	2017	2016
Cash flow from (used in) operating activities	(473)	351	(4)	(1)	17	(6)
Cash flow used in investing activities	(5)	(8)	(240)	(1)	(260)	(234)
Cash flow from (used in) financing activities	475	(285)	-	300	400	-
Net increase (decrease) in cash and cash equivalents	(3)	58	(244)	298	157	(240)

Goodwill

As at 31 December 2017, the Company's goodwill are comprised of goodwill acquired in a business combination from factoring business of Baht 135 million and leasing business of Baht 3 million (2016: Baht 135 million from acquiring of factoring business and Baht 3 million from acquiring of leasing business).

Share-based payment transactions

During the year 2016, 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.

17.1 AIRA International Advisory (Singapore) Pte. Ltd.

On 12 May 2017, a meeting of the Board of Directors of the Company passed the resolutions to approve an increase in the registered capital of AIRA International Advisory (Singapore) Pte. Ltd. (a subsidiary) from 500,000 ordinary shares of SGD 1 each to 1,500,000 ordinary shares of SGD 1 each and approve an investment in this subsidiary. The Company has a 96.67% shareholding in this company.

17.2 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.

On 2 August 2017, the Board of Directors of AIRA Property Public Company Limited (“the subsidiary”) passed a resolution approving additional investment of Baht 149.75 million in Aspiration One Company Limited in proportion to its existing shareholding (60%). Aspiration One Company Limited called for the payment of the capital increase of Baht 89.85 million (59.9 million shares with a value of Baht 1.50 each) in September 2017 and the remaining capital increase of Baht 59.90 million (59.9 million shares with a value of Baht 1 each) will be called in August 2018.

17.3 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
Assets		
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
Liabilities		
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.

On 11 August 2017, a meeting of the Board of Directors of the Company passed a resolution to approve the payment of the investment capital in AIRA Leasing Public Company Limited ("the subsidiary") in an amount not exceeding Baht 296.25 million (296.25 million shares with a par value of Baht 1 each). In September 2017, the subsidiary called for the payment of the capital increase of Baht 146.25 million (146.25 million shares with a value of Baht 1 each). The Company made payment for the shares. And in November 2017, the subsidiary called for the payment of the capital increase of Baht 150 million (150 million shares with a value of Baht 1 each). The Company made payment for the shares. The Company has a 91.85% shareholding in this Company.

17.4 AIRA Asset Management Company Limited

On 24 February 2017, a meeting of the Board of Directors of the Company approved the resolution to invest in AIRA Asset Management Company Limited (a subsidiary). The amount to be invested is Baht 100 million, divided into 10 million shares with a par value of Baht 10 each. AIRA Asset Management Company Limited called up 10 million ordinary shares at Baht 2.50 per share, or a total of Baht 25 million. The Company made payment for the shares on 1 March 2017. The Company has a 99.99% shareholding in this company.

AIRA Asset Management Company Limited registered with the Ministry of Commerce on 2 March 2017.

18. Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Other long-term investments				
Equity securities	3,000	3,000	-	-
Total other long-term investments	3,000	3,000	-	-

19. Equipment

	(Unit: Thousand Baht)						
	Consolidated financial statements						
	Building improvement	Machineries and equipment	Office equipment	Furniture and fixtures	Motor vehicles	Work under installation	Total
Cost							
1 January 2016	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
Additions	702	18,723	7,972	4,601	1,779	3,485	37,262
Disposals/write-off	(43)	(67,100)	(3,797)	(358)	(2,670)	-	(73,968)
Transfers in (out)	3,893	-	83	595	-	(4,571)	-
31 December 2017	68,300	243,299	83,814	44,335	58,555	1,873	500,176

(Unit: Thousand Baht)

Consolidated financial statements							
	Machineries						
	Building improvement	and equipment	Office equipment	Furniture and fixtures	Motor vehicles	Work under installation	Total
Accumulated depreciation							
1 January 2016	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/ write-off	-	(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
Depreciation for the year	7,725	30,261	10,596	6,213	8,633	-	63,428
Depreciation on disposals/ write-off	(26)	(67,100)	(3,790)	(324)	(2,670)	-	(73,910)
31 December 2017	29,441	140,998	63,356	28,156	40,587	-	302,538
Net book value							
31 December 2016	42,006	113,839	23,006	17,230	24,822	2,959	223,862
31 December 2017	38,859	75,472	20,457	16,177	17,205	1,875	197,638
Depreciation included in profit or loss for the year							
2016							45,780
2017							63,428

(Unit: Thousand Baht)

Separate financial statements				
	Office equipment	Furniture and fixtures	Work under installation	Total
Cost				
1 January 2016	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
Additions	471	67	126	664
Transfer in (out)	83	43	(126)	-
31 December 2017	5,597	8,407	-	14,004
Accumulated depreciation				
1 January 2016	2,735	3,575	-	6,310
Depreciation for the year	585	1,493	-	2,078
31 December 2016	3,320	5,068	-	8,388
Depreciation for the year	713	1,639	-	2,352
31 December 2017	4,033	6,707	-	10,740

(Unit: Thousand Baht)

	Separate financial statements			
	Office equipment	Furniture and fixtures	Work under installation	Total
Net book value				
31 December 2016	1,723	3,229	-	4,952
31 December 2017	1,564	1,700	-	3,264
Depreciation included in profit or loss for the year				
2016				2,078
2017				2,352

As at 31 December 2017, 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 140 million (2016: Baht 194 million) (The Company only: Baht 3 million, 2016: Baht 3 million).

20. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements					
	Computer software	Securities business license fee	TFEX member fee	Thai BMA member fee	Software under installation	Total
Cost						
1 January 2016	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	1,049	239,295
Additions	8,146	-	-	-	4,729	12,875
Write-off	(34)	-	-	-	-	(34)
Transfer in (out)	1,577	-	-	-	(1,577)	-
31 December 2017	52,235	129,500	50,000	15,000	4,201	252,136

(Unit: Thousand Baht)

Consolidated financial statements

	Computer software	Securities business license fee	SET member fee	TFEX member fee	Thai BMA member fee	Software under installation	Total
Accumulated amortisation							
1 January 2016	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
Amortisation for the year	5,526	-	-	-	-	-	5,526
Amortisation on write-off	(5)	-	-	-	-	-	(5)
31 December 2017	25,685	77,957	27,370	-	-	-	131,012
Net book value							
31 December 2016	22,382	51,543	22,630	15,000	1,200	1,049	113,804
31 December 2017	26,551	51,543	22,630	15,000	1,200	4,200	121,124
Amortisation included in profit or loss for the year							
2016							4,138
2017							5,526

(Unit: Thousand Baht)

Separate
financial statements
Computer software

Cost

1 January 2016	235
Additions	395
Disposals	(38)
31 December 2016	592
Additions	856
31 December 2017	1,448

Accumulated amortisation

1 January 2016	169
Amortisation for the year	29
Amortisation on disposals	(11)
31 December 2016	187
Amortisation for the year	71
31 December 2017	258

(Unit: Thousand Baht)

Separate
financial statements

Net book value

31 December 2016	405
31 December 2017	1,190

Amortisation included in profit or loss for the year

2016	29
2017	71

As at 31 December 2017, 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 12 million (2016: Baht 10 million) (The Company only: Baht 0.2 million, 2016: Baht 0.1 million).

21. Assets held for sale

(Unit: Thousand Baht)

	Consolidated financial statements	
	2017	2016
Machinery	12,300	12,300
Disposal - at net book value	(306)	-
Less: Allowance for impairment loss on assets held for sale	(4,917)	(3,069)
Machinery - net	7,077	9,231

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 periods of leasehold rights	1 January		31 December
	(years)	2017	Increase	Amortisation
				2017
Prepaid rental expenses	33	197,673	209,000	(15,864)
Project under development		35,818	65,267	-
Total		233,491	274,267	(15,864)

On 24 March 2017, a subsidiary of AIRA Property Public Company Limited (“the subsidiary”) entered into a 30-year land lease agreement with the Crown Property Bureau and paid prepaid rental expense amounting to Baht 218 million. Later, on 27 April 2017, the Company entered into the first amendment to land lease agreement to change the terms of payment and termination date of the rental period. The payment terms were changed from payment in 30 installments on an annually basis to payment for the remaining rent at the date of amendment amounting to Baht 209 million. The termination date of the lease term was changed to 31 March 2050.

On 22 February 2017, a subsidiary of AIRA Property Public Company Limited (“the subsidiary”) entered into a loan agreement with a financial institution creditor to obtain the credit facilities of Baht 1,100 million to fund the development of office buildings for rent. However, as at 31 December 2017, the subsidiary is in the process of reaching an agreement to finalise the conditions of collateral with the bank.

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

(Unit: Thousand Baht)

	Interest rate (% per annum)		Consolidated financial statements	
	2017	2016	2017	2016
Promissory notes	2.00 - 3.75	2.00 - 3.78	2,317,000	1,935,000
Total			2,317,000	1,935,000

As at 31 December 2017, the subsidiaries had credit facilities for 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 2017, the subsidiaries had unutilised credit facilities totalling Baht 2,848 million (2016: Baht 2,100 million).

24. Payables to Clearing House and broker - dealers

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2017	2016
Payables to Clearing House	116,522	-
Payables to overseas securities companies	11,913	5,292
Payables to Clearing House and broker - dealers	128,435	5,292

25. Securities and derivatives business payables

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2017	2016
Securities business payables		
Cash accounts	735,119	696,723
Derivatives business payables		
Derivatives business payables	-	-
Securities and derivatives business payables	735,119	696,723

26. Other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Other payables - related parties	223	948	13	7
Other payables - unrelated parties	60,135	41,431	1,394	1,711
Accrued incentive	6,411	12,484	-	-
Deposits and cheque in transit awaiting to transfer	3,129	2,060	124	128
Total	69,898	56,923	1,531	1,846

27. Liabilities under hire purchase / finance lease agreements

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2017	2016
Liabilities under hire purchase / finance lease agreements	48,222	63,086
Less: Deferred interest expenses	(4,985)	(8,553)
Total	43,237	54,533
Less: Current portion	(15,506)	(16,034)
Liabilities under hire purchase / finance lease agreements - net of current portion	27,731	38,499

The subsidiary has entered into the hire purchase / 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: Thousand Baht)		
	Consolidated financial statements		
	2017		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	18,363	29,859	48,222
Deferred interest expenses	(2,857)	(2,128)	(4,985)
Present value of future minimum lease payments	15,506	27,731	43,237

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	2016		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	20,002	43,084	63,086
Deferred interest expenses	(3,968)	(4,585)	(8,553)
Present value of future minimum lease payments	16,034	38,499	54,533

As at 31 December 2017, future minimum sublease payments expected to be received under non-cancellable subleases totaled Baht 66 Million (2016: Baht 86 million). During the year 2017, the subsidiary recognised rental expenses of Baht 19 million (2016: Baht 17 million) and subleasing revenue of Baht 16 million (2016: Baht 15 million) to profit or loss.

28. Bills of exchange

(Unit: Thousand Baht)

	Interest rate (% per annum)		Consolidated		Separate	
			financial statements		financial statements	
	2017	2016	2017	2016	2017	2016
Bills of exchange	3.75	3.00 - 3.50	100,000	460,000	-	-
Less: Prepaid interest expenses			(82)	(433)	-	-
Total bills of exchange			99,918	459,567	-	-

As at 31 December 2017, the balance of the above bills of exchange of the subsidiary included related parties of Baht 100 million (2016: Baht 440 million).

29. Subordinated debentures

(Unit: Thousand Baht)

Issue date	Number of debentures (shares)	Interest rate per annum	Age	Maturity date	Consolidated	
					financial statements	
					2017	2016
1 April 2016	200,000	Year 1 - 3 Fixed rate 5.0%	3 years	1 April 2019	200,000	200,000
Total					200,000	200,000

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 2017, the balance of the above subordinated debentures of the subsidiary included related parties of Baht 110 million (2016: Baht 110 million).

30. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Accrued expenses	652	592	50	41
Other current liabilities	13,535	15,178	548	3,187
Total	14,187	15,770	598	3,228

31. Provision for long-term employee benefits

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

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Defined benefit obligation at beginning of year	23,622	22,047	4,463	3,862
Increase from purchase of investment in subsidiary	-	246	-	-
Included in profit or loss:				
Current service cost	6,280	3,376	508	495
Interest cost	556	734	122	106
Included in other comprehensive income:				
Actuarial gain arising from				
Demographic assumptions changes	(1,504)	-	-	-
Financial assumptions changes	(910)	(1,252)	-	-
Experience adjustments	(2,332)	(692)	-	-
Benefit paid during the year	(7,621)	(837)	-	-
Defined benefit obligation at end of year	18,091	23,622	5,093	4,463

Long-term employee benefit expenses included in the profit or loss was as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current service cost	6,280	3,376	508	495
Interest cost	556	734	122	106
Total expenses recognised in profit or loss	6,836	4,110	630	601

The subsidiaries expect to pay Baht 0.1 million of long-term employee benefits during the next year (2016: Baht 2.2 million).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 3 - 14 years (the Company only: 3 years) (31 December 2016: 3 - 9 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	
	2017	2016	2017	2016
Discount rate	1.96 - 2.98	2.25 - 3.43	2.75	2.75
Future salary increase rate	3.0 - 5.0	3.0 - 5.0	5.0	5.0
Staff turnover rate (depending on age)	0.0 - 30.0	15.0 - 25.0	20.0	20.0

Sensitivity analysis for significant assumptions that effect to the long-term employee benefit obligation as at 31 December 2017 is summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Discount rate		Salary increase rate	
	Increase	Decrease	Increase	Decrease
	0.50%	0.50%	0.50% - 1.00%	0.50% - 1.00%
Impact on the long-term employee benefit obligation	(480)	396	816	(877)

(Unit: Thousand 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	(34)	35	215	(208)

Sensitivity analysis for significant assumptions that effect to the long-term employee benefit obligation as at 31 December 2016 is summarised below:

(Unit: Thousand 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	(794)	424	2,090	(1,810)

(Unit: Thousand 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	(51)	52	187	(180)

32. Share capital

Reconciliation of number of share capital

	Consolidated and Separate financial statements			
	2017		2016	
	Number of shares	Amount	Number of shares	Amount
	(Thousand shares)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)
<u>Registered share capital</u>				
At beginning of year	7,160,000	1,790,000	7,160,000	1,790,000
At end of year	7,160,000	1,790,000	7,160,000	1,790,000
<u>Issued and paid-up share capital</u>				
At beginning of year	5,647,363	1,411,841	5,496,761	1,374,190
Increase from exercise of warrants	392,122	98,030	150,602*	37,651
At end of year	6,039,485	1,509,871	5,647,363	1,411,841

* Included ordinary shares which registered with the Ministry of Commerce in January, the Company had advance receipt of share subscription in December.

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%.

During the current year, the warrant holders exercised their rights to purchase ordinary shares as follow:

	Numbers of warrant units (Units)	Numbers of ordinary shares (Shares)	Cash receipt from exercise of warrants (Baht)	Registration date of increase in paid- up capital with the Ministry of Commerce
Exercise in March 2017	14,932,900	19,478,306	4,869,576	7 April 2017
Exercise in May 2017	6,575,500	8,577,014	2,144,254	7 June 2017
	<u>21,508,400</u>	<u>28,055,320</u>	<u>7,013,830</u>	

Movements in the number of warrants, ESOP during the period are as follows:

	(Unit: Units)
	Consolidated and Separate financial statements
Number of warrants as at 1 January 2017	21,736,140
Exercise during year	(21,508,400)
Expiring on 3 June 2017	(227,740)
Number of warrants as at 31 December 2017	<u>-</u>

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 Separate financial statements
Number of warrants as at 1 January 2017	681,274,987
Exercised during year	(353,958,238)
Number of warrants as at 31 December 2017	327,316,749

During the current year, the warrant holders exercised their rights to purchase ordinary shares as follow:

	Numbers of warrant units	Numbers of shares	Cash receipt from exercise of warrants	Registration date of increase in paid-up capital with the Ministry of Commerce
	(Units)	(Shares)	(Baht)	
Exercise in April 2017	341,232,218	341,232,218	682,464,436	8 May 2017
Exercise in July 2017	200,000	200,000	400,000	7 August 2017
Exercise in October 2017	12,526,020	12,526,020	25,052,040	7 November 2017
	353,958,238	353,958,238	707,916,476	

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 Separate financial statements
Number of warrants as at 1 January 2017	781,886,727
Number of warrants as at 31 December 2017	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 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2017	2016
Current income tax:		
Current income tax charge	5,191	31,432
Deferred tax:		
Relating to origination and reversal of temporary differences	(2,416)	(748)
Income tax expenses reported in the statements of comprehensive income	2,775	30,684

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2017	2016
Deferred tax relating to gain (loss) on remeasuring available-for-sale investments	(8,590)	3,063
Deferred tax relating to actuarial gain	(949)	(389)
Deferred tax relating to share of other comprehensive income of associates	107	28
	(9,432)	2,702

The reconciliation between accounting profit (loss) and income tax expenses is shown below.

(Unit: Thousand Baht)		
Consolidated		
financial statements		
	2017	2016
Accounting loss before tax	(225,471)	(66,801)
Applicable tax rate	17%, 20%	17%, 20%
Accounting loss before tax multiplied by applicable tax rate	(44,475)	(12,753)
Deductible temporary differences and unused tax losses	47,067	41,180
Impairment of deferred tax assets	-	109
Effects of:		
Promotional privileges	(2,169)	(936)
Non-deductible expenses	4,074	4,103
Additional expense deductions allowed	(1,736)	(1,366)
Others	14	347
Total	183	2,148
Income tax expenses reported in the statement of comprehensive income	2,775	30,684

(Unit: Thousand Baht)		
Separate		
financial statements		
	2017	2016
Accounting profit before tax	11,485	88,367
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	2,297	17,673
Deductible temporary differences and unused tax losses	11,283	2,721
Effects of:		
Promotional privileges	(13,892)	(20,934)
Non-deductible expenses	387	582
Additional expense deductions allowed	(75)	(42)
Total	(13,580)	(20,394)
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 31 December 2017	As at 31 December 2016
Deferred tax assets			
Finance lease assets		3,048	1,254
Allowance for doubtful accounts		1,482	1,431
Allowance for impairment loss on asset held for sale		983	614
Provision for long-term employee benefits		2,537	3,800
Unrealised loss on re-measuring available-for-sale investments		5,533	13,834
Others		1,174	721
Total		14,757	21,654
Deferred tax liabilities			
Finance lease liabilities		(561)	-
Depreciation of assets		(5,518)	(6,214)
Amortisation of intangible assets		(17,747)	(17,393)
Total		(23,826)	(23,607)
Deferred tax assets (liabilities), net		(9,069)	(1,953)

		(Unit: Thousand Baht)	
		Statements of financial position	
		Consolidated financial statements	
		As at 31 December 2017	As at 31 December 2016
Reflected in the statements of financial position as follows:			
Deferred tax assets		7,448	6,183
Deferred tax liabilities		(16,517)	(8,136)
Deferred tax assets (liabilities), net		(9,069)	(1,953)

As at 31 December 2017, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 330 million (2016: Baht 330 million) (the Company only 2017: Baht 176 million, 2016: Baht 146 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		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
31 December 2018	41	41	28	28
31 December 2019	66	66	48	48
31 December 2020	53	53	31	31
31 December 2021	41	41	12	13
31 December 2022	97	-	56	-
	<u>298</u>	<u>201</u>	<u>175</u>	<u>120</u>

36. Brokerage fees income

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2017	2016
Brokerage fees from securities business	273,664	364,790
Brokerage fees from derivatives business	51,922	50,402
Total	<u>325,586</u>	<u>415,192</u>

37. Fees and services income

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2017	2016
Financial advisory	7,457	18,587
Private fund management	2,734	3,191
Service and front-end	46,805	37,856
Others	4,094	1,470
Total	<u>61,090</u>	<u>61,104</u>

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 - 15 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 2017 and 2016 were recognised as expenses as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Contributions to provident funds	11.7	10.6	1.5	1.4

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 number of ordinary shares		Loss per share	
	2017	2016	2017	2016	2017	2016
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Loss attributable to equity holders of the						
Company	(231,887)	(107,836)	5,911,369	5,548,831*	(0.039)	(0.019)

* Included ordinary shares from the exercise of warrants in December

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2017	2016	2017	2016	2017	2016
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	11,485	88,367	5,911,369	5,548,831*	0.002	0.016
Effect of dilutive potential ordinary shares						
Warrants	-	-	86,860	163,118		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	11,485	88,367	5,998,229	5,711,949	0.002	0.015

* Included ordinary shares from the exercise of warrants in December

* 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 2017 and 2016, 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 2017 and 2016, 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

Dividend	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Dividend from the 2016 net income	Annual General Meeting of the shareholders on 24 April 2017	56,573	0.01

41. Commitments and contingent liabilities

As at 31 December 2017 and 2016, 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 financial statements		Separate financial statements	
	2017	2016	2017	2016
Payable:				
In up to 1 year	54	49	5	5
In over 1 and up to 5 years	115	147	17	19
In over 5 years	-	11	-	2

- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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.
- 6) The subsidiary had capital commitments of approximately Baht 32 million (2016: Baht 8 million) (the Company only: Nil, 2016: Baht 0.8 million), relating to the office building improvements and computer and software improvements.
- 7) The subsidiary had commitments of approximately Baht 1,440 million (2016: Baht 41 million), relating to consulting fees and related expenses for the project.
- 8) The Company is committed to pay uncalled portions of its investments in subsidiaries of Baht 90 million (2016: 15 million).

- 9) The subsidiary is committed to pay a called portions of its investment in a subsidiary of Baht 60 million, the payment is due in August 2018 and committed to pay a uncalled portions of its investment remain in a subsidiary of Baht 150 million (2016: Baht 449 million).

42. Operating lease commitment

The subsidiary has several operating lease agreements in respect of the lease of equipment. The terms of the agreements are generally from 1 to 4 years.

Future minimum lease payments of the subsidiary expected to be received were as follows.

(Unit: Million Baht)

	Consolidated financial statements	
	31 December 2017	31 December 2016
In up to 1 year	40	38
In over 1 and up to 5 years	73	84

43. Litigation

A civil lawsuit was filed against the subsidiary with an amount in dispute of Baht 3 million. In August 2017, the Court of First Instance has a judgment dismissed the case. Subsequent in December 2017, the plaintiff appealed to the Court of Appeal. The management of the subsidiary believes that the litigation will have no significant impact on the financial position and operating results of the subsidiary.

44. 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 period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

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 2017 and 2016, respectively.

(Unit: Million Baht)

For the year ended 31 December 2017

	Securities and investment business	Advisory and investment banking	Factoring	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	350	11	219	68	648	-	648
Inter-segment revenue	70	-	-	-	70	(70)	-
Interest revenue	94	-	2	1	97	(3)	94
Interest expenses	(32)	(1)	(51)	(6)	(90)	3	(87)
Depreciation and amortisation	(13)	(1)	(6)	(29)	(48)	(3)	(52)
Segment profit (loss)	166	(27)	55	(13)	181	(73)	108
Unallocated revenue (expenses)							
Interest revenue							28
Other revenue							7
Interest expenses							(14)
Operating expenses							(170)
Share of loss from investment in associates							(184)
Income tax expenses							(3)
Loss for the year							(228)

(Unit: Million Baht)

For the year ended 31 December 2017

	Securities and investment business	Advisory and investment banking	Factoring	Rental and service business	Total reportable segments	Unallocated assets	Consolidated financial statements
Segment total assets	4,185	27	2,780	575	7,567	430	7,997
Additions to non-current assets other than financial instruments and deferred tax assets	7	12	4	27	50	-	50

(Unit: Million Baht)

For the year ended 31 December 2016

	Securities and investment business	Advisory and investment banking	Factoring	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated financial 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)
Segment profit (loss)	320	(19)	64	5	370	(143)	227
Unallocated revenue (expenses)							
Interest revenue							26
Other revenue							2
Interest expenses							(16)
Operating expenses							(178)
Share of loss from investment in associates							(127)
Income tax expenses							(31)
Loss for the year							(97)

(Unit: Million Baht)

For the year ended 31 December 2016

	Securities and investment business	Advisory and investment banking	Factoring	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Segment total assets	4,454	36	2,245	270	7,005	244	7,249
Additions to non-current assets other than financial instruments and deferred tax assets	17	9	10	44	80	7	87

Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Million Baht)

	Consolidated financial statements	
	2017	2016
Revenue from external customers		
Thailand	647	687
Singapore	1	2
Total	648	689

Major customers

For the year 2017 and 2016, the Company and its subsidiary have no major customer with revenue of 10 percent or more of an entity's revenue.

45. Fair value hierarchy

As at 31 December 2017 and 2016, the Company and its subsidiaries had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Equity securities	4,020	-	-	4,020
Available-for-sale investments				
Equity securities	78,983	-	-	78,983

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Equity securities	266,660	-	-	266,660
Available-for-sale investments				
Equity securities	105,213	-	-	105,213

46. Financial instruments

46.1 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, 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		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Financial assets				
Deposits at financial institutions in the name of				
Company, subsidiaries and on behalf of customers				
of subsidiary	964,371	2,685,994	232,825	373,408
Short-term investments - fixed deposit	-	5,068	-	5,068
Receivables from Clearing House	399,296	521,539	-	-
Securities and derivatives business receivables	1,568,725	1,706,644	-	-
Factoring receivables	2,648,428	2,116,439	-	-
Finance lease receivables	199,825	60,936	-	-
Hire purchase receivables	110,494	1,878	-	-
Loans receivable	38,453	30,660	-	-
Loans to related parties	-	-	94,385	61,316
Other receivables	24,559	33,955	25,412	15,395
Restricted deposit	3	228	-	-

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 2017 and 2016 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 2017									
Outstanding balances of financial instruments									
	Floating interest rate	Fixed interest rate				No interest	Total	Effective interest rate	
		Repricing or maturity dates						(Percent per annum)	
		At call	Within 1 year	1 - 5 years	Over 5 years			Floating rate	Fixed rate
Financial instruments - assets									
Cash and cash equivalents	775	-	114	15	-	60	964	0.25 - 1.00	1.00 - 1.46
Short-term investments	-	-	-	-	-	83	83	-	-
Receivables from Clearing House	-	-	-	-	-	399	399	-	-
Securities and derivatives									
business receivables	1,091	-	-	-	-	478	1,569	5.50 - 18.00	-
Factoring receivables	-	-	2,648	-	-	-	2,648	-	5.50 - 15.00
Finance lease receivables	-	-	49	151	-	-	200	-	5.35 - 7.93
Hire purchase receivables	-	-	37	74	-	-	111	-	5.01 - 9.24
Loans receivable	-	-	16	22	-	-	38	-	4.50 - 8.50
Other receivables	-	-	-	-	-	25	25	-	-
	1,866	-	2,864	262	-	962	6,037		
Financial instruments - liabilities									
Short-term loans from financial institutions	2,107	150	60	-	-	-	2,317	-	Note 23
Payables to Clearing House	-	-	-	-	-	128	128	-	-
Securities and derivatives									
business payables	-	-	-	-	-	735	735	-	-
Excess receipts awaiting to pay	-	-	-	-	-	37	37	-	-
Other payables	-	-	-	-	-	70	70	-	-
Retention from factoring	-	-	-	-	-	37	37	-	-
Liabilities under finance lease agreements	-	-	16	28	-	-	44	4.74 - 13.32	-
Subordinated debentures	-	-	-	200	-	-	200	-	5.00
Bills of exchange	-	-	100	-	-	-	100	-	3.75
	2,107	150	176	228	-	1,007	3,668		

(Unit: Million Baht)

Separate financial statements									
As at 31 December 2017									
Outstanding balances of financial instruments									
		Fixed interest rate					Effective interest rate		
Floating	Repricing or maturity dates					(Percent per annum)			
interest	Within	1 - 5	Over	No			Floating	Fixed	
rate	At call	1 year	years	5 years	interest	Total	rate	rate	
<u>Financial instruments - assets</u>									
Cash and cash equivalents	232	-	-	-	-	1	233	0.50	-
Short-term investments	-	-	-	-	-	-	-	-	-
Loans to related parties	-	40	54	-	-	-	94	-	2.00
Other receivables	-	-	-	-	-	25	25	-	-
	232	40	54	-	-	26	352		
<u>Financial instruments - liabilities</u>									
Other payables	-	-	-	-	-	2	2	-	-
	-	-	-	-	-	2	2		

(Unit: Million Baht)

Consolidated financial statements									
As at 31 December 2016									
Outstanding balances of financial instruments									
	Floating interest rate	Fixed interest rate					Total	Effective interest rate	
		Repricing or maturity dates				(Percent per annum)			
		At call	Within 1 year	1 - 5 years	Over 5 years			No interest	
Financial instruments - assets									
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	-	9.00
Loans receivable	-	-	6	25	-	-	31	-	4.50 - 8.50
Other receivables	-	-	-	-	-	34	34	-	-
	2,271	-	2,141	74	-	1,328	5,814		
Financial instruments - liabilities									
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	-	-	-	-	-	57	57	-	-
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 28
	1,545	330	536	239	-	870	3,520		

(Unit: Million Baht)

Separate financial statements									
As at 31 December 2016									
Outstanding balances of financial instruments									
		Fixed interest rate						Effective interest rate	
	Floating	Repricing or maturity dates						(Percent per annum)	
	interest		Within	1 - 5	Over	No		Floating	Fixed
	rate	At call	1 year	years	5 years	interest	Total	rate	rate
<u>Financial instruments - assets</u>									
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		
<u>Financial instruments - liabilities</u>									
Other payables	-	-	-	-	-	2	2	-	-
	-	-	-	-	-	2	2		

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 2017 and 2016, 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 2017 and 2016 follows:

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2017						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<u>Financial instruments - assets</u>						
Cash and cash equivalents	835	114	15	-	-	964
Short-term investments	-	-	-	-	83	83
Receivables from Clearing						
House	-	399	-	-	-	399
Securities and derivatives						
business receivables	-	478	-	-	1,091	1,569
Factoring receivables	-	2,648	-	-	-	2,648
Finance lease receivables	-	49	151	-	-	200
Hire purchase receivables	-	37	74	-	-	111
Loans receivable	-	16	22	-	-	38
Other receivables	14	11	-	-	-	25
	<u>849</u>	<u>3,752</u>	<u>262</u>	<u>-</u>	<u>1,174</u>	<u>6,037</u>

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2017						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial instruments - liabilities						
Short-term loans from						
financial institutions	150	2,167	-	-	-	2,317
Payables to Clearing House	-	128	-	-	-	128
Securities and derivatives						
business payables	-	735	-	-	-	735
Excess receipts awaiting to						
repay	-	37	-	-	-	37
Other payables	27	43	-	-	-	70
Retention from factoring	-	-	-	-	37	37
Liabilities under finance						
lease agreements	-	16	28	-	-	44
Subordinated debentures	-	-	200	-	-	200
Bills of exchange	-	100	-	-	-	100
	177	3,226	228	-	37	3,668

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2017						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial instruments - assets						
Cash and cash equivalents	233	-	-	-	-	233
Loans to related parties	40	54	-	-	-	94
Other receivables	-	25	-	-	-	25
	273	79	-	-	-	352
Financial instruments - liabilities						
Other payables	-	2	-	-	-	2
	-	2	-	-	-	2

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2016						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial instruments - assets						
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 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial instruments - liabilities						
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	3	41	-	-	13	57
Retention from factoring	-	-	-	-	53	53
Liabilities under finance						
lease agreements	-	16	39	-	-	55
Subordinated debentures	-	-	200	-	-	200
Bills of exchange	-	460	-	-	-	460
	333	2,882	239	-	66	3,520

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2016						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial instruments - assets						
Cash and cash equivalents	373	-	-	-	-	373
Short-term investments	-	30	-	-	-	30
Loans to related parties	-	61	-	-	-	61
Other receivables	-	15	-	-	-	15
	373	106	-	-	-	479
Financial instruments - liabilities						
Other payables	-	2	-	-	-	2
	-	2	-	-	-	2

Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and fluctuations in revenues or the values of financial assets and liabilities.

As at 31 December 2017 and 2016, the Company and its subsidiaries have balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements				
Foreign currency	Financial assets		Average exchange rate	
	2017	2016	2017	2016
			(Baht per 1 foreign currency unit)	
US dollar	122,374	84,366	32.6590	35.8200
Separate financial statements				
Foreign currency	Financial assets		Average exchange rate	
	2017	2016	2017	2016
			(Baht per 1 foreign currency unit)	
SGD	2,258,535	2,514,605	24.9815	25.5227

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.

46.2 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 year, there were no transfers within the fair value hierarchy.

47. 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 2017, the Group's debt-to-equity ratio was 0.87:1 (2016: 0.98:1) and the Company's was 0.002:1 (2016: 0.003:1).

48. Events after the reporting period

- 1) On 23 February 2018, the Board of Directors of AIRA Factoring Public Company Limited ("the subsidiary") passed a resolution to propose a dividend payment of Baht 0.0125 per share from the profit of 2017, or a total of Baht 20 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.
- 2) On 26 February 2018, a meeting of the Board of Directors of the Company approved the resolutions as follow.
 - 2.1) To approve AIRA Factoring Public Company Limited ("the subsidiary") to make a dividend payment of Baht 0.0125 per share from the profit of 2017, or a total of Baht 20 million. The payment of such dividend is to be made pending approval by the subsidiary's shareholders.
 - 2.2) To approve the payment of an annual dividend from the retained earnings and net profit 2017 of Baht 0.0065 per share, totaling Baht 39.26 million. Payment will be made on 16 May 2018. The payment of such dividend is to be made pending approval by the Company's shareholders.
 - 2.3) To approve a cap of Baht 1.60 million on the directors' bonus for the year 2017. The payment of such the directors' bonus made pending approval by the Company's shareholders.

49. Reclassification

The Company and its subsidiaries have reclassified certain accounts as follows:

(Unit: Baht)

	For the year ended 31 December 2016			
	Consolidated		Separate	
	financial statements		financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Brokerage fees	415,191,839	416,315,058	-	-
Fees and services income	61,104,133	59,980,914	-	-
Personnel expenses	389,016,274	382,841,919	43,694,259	42,146,259
Depreciation and amortisation	49,909,040	-	2,106,904	-
Premises and equipment expenses	-	125,664,512	-	5,840,165
Other expenses	166,271,572	96,690,455	15,066,259	12,880,998

(Unit: Baht)

	For the year ended 31 December 2016			
	Consolidated financial		Separate financial	
	statements		statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Other payables	56,809,942	31,541,471	1,845,674	1,587,712
Other current liabilities	15,769,846	41,038,317	3,227,675	3,485,637

The reclassifications had no effect to previously reported profit (loss) or shareholders' equity.

50. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2018.



AIRA Capital Public Company Limited

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