

# ANNUAL REPORT

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## 2019



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"Investors can access the Company's information from the Form 56-1 at the SET website; [www.sec.or.th](http://www.sec.or.th) and the company website; [www.airacapital.co.th](http://www.airacapital.co.th)"



## VISION AND MISSION

### VISION

To be a Leading Financial Group  
with a comprehensive international  
network to provide a wide array of  
financial services and products

### MISSION

To generate the highest possible return through good governance for all stakeholders' interest

Shareholders :	To generate highest return to shareholders
Employee :	To support Human Resource development in both personnel competency and quality of life
Competitors :	To support fair business competition based on standard framework and rules and regulations
Clients :	To create the highest satisfaction to clients
Creditor :	To strictly and fairly comply to terms and conditions of the covenant
Compliance and State Agency :	To strictly operate business according to relevant laws and statutes assigned by Compliance and State Agencies, to uphold integrity, and to work against corruption in all aspect
Society :	To cultivate good moral traits, operate business with transparency, and provide social and environment support



## MILESTONE DEVELOPMENT

- |      |  |
|------|--|
| 2017 | <ul style="list-style-type: none"> <li>● March      New subsidiary setting up<br/><br/>AIRA Asset Management Limited (“AIAM”) was established with registered capital of Baht 100,000,000 or 10,000,000 shares of Baht 10 each. The Company hold 99.99% of shares in AIAM, where AIAM operates a Wealth and Investment Management business. Services provided by AIAM included Private Fund Management, Mutual Fund Management, and being a Securities Brokerage of Investment Units.</li> <br/> <li>● May          Additional investment in ordinary shares of an associate<br/><br/>The Company invested in the additional ordinary shares of AIRA &amp; AIFUL Public Company Limited (“A&amp;A”) in the amount of Baht 450,000,000 or 450,000,000 shares of Baht 1 each. The Company’s percentage of shareholding in the associate is 30%, unchanged from the prior stage.</li> <br/> <li>● August      Additional investment in ordinary shares of a subsidiary<br/><br/>The Company invested in the additional ordinary shares of AIRA Leasing Public Company Limited (“AIL”) in the amount of Baht 296,250,000. This resulted in an increase in the Company’s percentage of shareholding in AIL from 80.00% to be 91.85%.</li> <br/> <li>● September   Additional investment in ordinary shares of a subsidiary<br/><br/>The Company invested in the additional ordinary shares of AIRA International Advisory (Singapore) Pte.Ltd. (“AI”) in the amount of SGD 1,000,000. This resulted in an increase in the Company’s percentage of shareholding in AI from 90.00% to be 96.67%.</li> </ul> |
| 2018 | <ul style="list-style-type: none"> <li>● August      Expiration of Warrants issued by the Company<br/><br/>AIRA Capital Public Company Limited’s 1<sup>st</sup> lot Warrants allotment “ARA-W1” had reached its expiry date. The last exercise date was 2 August 2018 with 52,270,310 unexercised units.</li> </ul>  |

2019



#### AIRA Capital Public Company Limited's Recognitions

1. AIRA Capital Public Company Limited is being certified as a member of Collective Action Coalition Against Corruption (CAC).
2. AIRA Capital Public Company Limited has achieved "Excellent" recognition level in CG Scoring arranged by the Thai Institute of Directors Association (IOD).
3. AIRA Capital Public Company Limited has received "Excellent" scores from the quality assessment for the arrangement of General Meeting (AGM Checklist) with 100 full points for 2 consecutive years.



#### Completion of Spring Tower's Development and Construction

Development and construction of an office building project "Spring Tower" under Aspiration One Company Limited (a subsidiary) has been completed. The Spring Tower is an A Grade, 27-storey office building, with Asia Pacific Property Award 2018-2019, and being a LEED Gold-targeted building. The construction process of the Spring Tower has completed and be available for rent at the end of 2019 There are also people who are interested and show the intention to lease the area around 60% of the rental area.

## ACTIVITIES IN 2019



The executive officer and staffs of AIRA Capital Plc. donate fund and necessary supplies for injured and disable Veteran at Veteran General Hospital on March 27th, 2019

Khun Pakorn Malakul Na Ayudhaya, Chairman of the board of director, Khun Nalinee Ngamsetthamas, CEO together with company's directors and executive officers attended the Annual General Meeting for Business Performance result of 2018 acknowledgement. The meeting is held at Budsaba room, Mandarin Bangkok Hotel.



Khun Nalinee Ngamsetthamas, CEO, Khun Suttiporn Tanthikul, Managing Director - AIRA Capital Public Company Limited attend AIRA Opportunity day which is held by the Stock Exchange of Thailand Providing a chance for an investor to meet company's executive officer to present the performance and vision in the next coming period. The activity is held at Stock Exchange of Thailand.



Staffs of Aira Capital plc. gather old calendars in order to donate to the blind at Foundation to the blind in Thailand under the patronage of H.M. the queen. The old calendar could be used as an educational supply to develop the blind's quality of life.



Khun Suttiporn Tantikul, Managing Director<sup>o</sup> AIRA Capital Plc. donate fund to H.E. Weerasak Kowsurat, Minister of Tourism and Sports, Dr. Naris Chaiyasoot, President of the special sports of the Olympic games in Thailand, together with Khun Somchai Asawaseranee as the representatives to support of Thailand's special Olympic Sport Players for Special Olympic World Games Abu Dhabi 2019 at Thammasat Association.



Khun Nalinee Ngamsetthamas, CEO<sup>o</sup> AIRA Capital plc supports The Parkinson Associated by Chulalongkorn Center of excellence for Parkinsons Disease by purchasing the reusable shopping bag from parkinson's patient to persuade staff to help society by support the people whom needed and at the same time, safe environment by using reusable bag instead of plastic bag.



Executives and staffs representative presence the vase of flowers to the portrait of Her Royal Highness Princess Soamsawali Krom Muen Suddhanarinatha and sign the book of blessing to wish HRH Princess Soamsawali a good health and well recovery at Chulalongkorn Memorial Hospital, Red Cross Society on February 22, 2019.



### Company's Policy

The company values importance of being part of society hence urging to support the society, community and environment especially in educational aspect which is company's profession, enlighten appropriated financial and saving skill for the long term knowledge to the student and youth, both for oneself and his family, and expand this knowledge back to community and society.

### AIRA for Society to Sustainability Development 2019



Khun Suttiporn Tanthikul, Managing Director, together with executive officers and staffs of AIRA Capital Public Company Limited (AIRA) held CSR activities under "AIRA for Society to Sustainability Development Project" which is held for the 5<sup>th</sup> year, by painting canteen building, reforming school's common area, attending entertainment and sport activities, providing lunch and donating fund for students. The objective of this project is create activities to meet company's CSR policy for support and develop the society, giving the chance and quality of life to children. The activities were held at Wat Palaharn School, Klong Luang, Pathumthani Province on September 20, 2019

## MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER



Mr. Nopporn Picha  
Acting Chairman of the Board of Director

Mrs. Naline Ngamsetthamas  
Chief Executive Officer

### Dear Shareholders

Year 2019 was the significant step of AIRA Capital Public Company Limited. We proudly announce on the success of our property management company, “Aspiration One Company Limited” (ASP1), the subsidiary of “AIRA Property Public Company Limited” (AIP), they completely constructed “Spring Tower” the 27 storey Rental Office Building with A-Grade and LEED GOLD Standard level on the land of The Crown Property Bureau where locates near Ratchathewi Intersection area. The building had successfully accomplished as planned.

Within this year AIP planned to develop at least 2 projects of Rental office buildings for create more value and the future growth of the company by listed these asset to REIT (Real Estate Investment Trust).

AIRA Group continuously develop on our service capability, especially, “AIRA Factoring Public Company Limited” (AF) to expand the financial product line for increasing our customer satisfaction and “AIRA Leasing Public Company Limited” (AIL) generated the profitable in this year, therefore we plans to be listed AIL on the Market for Alternative Investment (mai) in the near future. We are improving the service quality by applying appropriate innovation and technology to provide convenient service to the customer and increase work efficiency, while minimizing cost. For example, “AIRA Factoring Public Company Limited” provide credit facility and deliver document submission by using electric tools and “AIRA Securities Public Company Limited” modified ID recognition by Identity Proving Enrollment Electronic Form.

Under the proactive strategy, we consistency our principle value by emphasizing on risk management, thoroughly upheld compliance policy, monitoring, responsible and considering about all stakeholders' interest .

Besides, the company realize that, to develop the organization sustainably is not only focusing on financial outcome but we have to emphasizing on management supervision regarding social responsibility will creates higher value as well as shareholder's confidence.

Proving that the company adhered to perform under the good governance policy, There are many reliable organization provided our company's evaluation result as following:

1. Certified Member of Thailand Private Sector Collective Action Coalition Against Corruption; CAC
2. Excellent Level (5 of 5 stars) Corporate Government Scoring from Thai Institute of Directors Association; IOD
3. 100 Scores (Out of 100) Annual General Meeting Checklist from Thai Investors Association for the 2nd year

On behalf of the board of directors and executive team, we would like to forward our gratitude to AIRA's shareholders, business alliances, investors, clients, business partners, compliance and state agency, private sector and associations, financial institution, media and all stakeholder for your trust and well support in our group of company. Also, thanks to all staffs for the effort and responsible during an uncertain economic situation and effectively drive our business against every crisis together. In this case, assuring our executives and staffs will responsibly perform one's duty under the good government policy, then stability bring the company forward and create the sustainably gain to our shareholders.

**Mr. Nopporn Picha**

Acting Chairman of the Board of Director

**Mrs. Nalineee Ngamsettamass**

Chief Executive Officer

## REPORT OF THE INVESTMENT COMMITTEE

### To Shareholders

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 qualifying 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 2019, the Investment Committee has arranged 4 meetings to consider the important matters and report the meeting, including asking for opinions and suggestions to the Board of Directors for consideration continuously by considering the business plan of the Company, financial forecast, increasing and considering credit limit to the subsidiaries as well as reporting the investment progress, investment management control, and the overall operation of the Company and its subsidiaries.

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. Nalinee Ngamsetthamas**  
Chairman of the Investment Committee

## To the Shareholders

The Risk Management Committee of AIRA Capital Public Company Limited has been appointed by the Board of Directors. The Risk Management Committee's members consist of 4 members, which 3 members are independent committees. Moreover, the Risk Management Committee 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 2019, there were 4 meetings of the Risk Management Committee. The meetings were 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.

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

The Chairman of the Risk Management Committee

## REPORT OF THE AUDIT COMMITTEE

To Shareholders

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

- |  |                             |
|--|-----------------------------|
| 1. Mr. 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 of 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 internal audit system which 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 2019, there were 4 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. Besides, 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 2019 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 2019, 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 duties and responsibilities of Audit Committee and evaluation of Audit Committee 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 agree 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 is continuous development and improvement and to report the overall evaluation results to the Board of Directors for the year 2019 to be at a good level.

7) **To consider the selection and remuneration of the external auditor for the year 2019:** 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 AGM.

8) **To review and give opinion on anti-corruption policy:** 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 2019, 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 CORPORATE GOVERNANCE COMMITTEE

To Shareholders

The Corporate Governance Committee of AIRA Capital Public Company Limited has complied with the duties as assigned by Board of Directors within the duties and the responsibilities as determined in the charter of the Corporate Governance Committee completely, including supervising the operation of the Company to be in accordance with the guideline for good corporate governance for registered company in 2012 of the Stock Exchange of Thailand and the principle of good corporate governance for registered company in 2017 of SEC Office.

The Corporate Governance Committee, which consists of the three members as follow:

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

In 2019, Corporate Governance Committee had arranged three meetings to follow-up on the operation of the Company to be in accordance with the Good Corporate Governance Policy, which can be summarized as follow:

1. Supervise the protection of minor shareholders' right by giving an opportunity for the shareholders to add the minutes of the meeting and propose the nominal list as member prior to the ordinary meeting during 1<sup>st</sup> October 2019 – 31<sup>st</sup> December 2019 according to criteria as specified by the Company. The Company had notified the criteria and had determined the period for the shareholders to proceed with the operation via Electronic Company Information Disclosure (ELCID) and the Company's website.
2. Consider approving the review of Good Corporate Governance Policy, Business Ethics of the Company, charter of Board of Director, and charter of Corporate Governance Committee and proposing to the Meeting of Board of Director to approve the adjustment of Good Corporate Governance Policy and the Business Ethics of the Company to be in accordance with the principle of good corporate governance for registered company in 2012 of the Stock Exchange of Thailand and the principle of good corporate governance for registered company in 2017 of SEC Office and the suggestions of Thai Institute of Directors (IOD).
3. Consider approving the review of Anti-Corruption Policy of 2019 to be in accordance with Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)

4. Consider approving the review of assessment form for Board of Directors and Sub-Committee and assessment form for Chief Executive Officer to be consistent and have complete information according to the criteria as determined by relevant agencies and proposing to the
5. Consider reporting the operation according to the corporate governance in Annual Statement Form (Form 56-1) and Annual Report 2018 (Form 56-2) for the disclosure of information to contain complete content to be in accordance with the guideline for good corporate governance for the Company to be accepted in terms of corporate governance from shareholders and relevant governance agencies.
6. Supervise the arrangement of Annual General Meeting (AGM) to be in accordance with the law and the guideline according to criteria of AGM Checklist. As a result, in 2019, the Company had received the quality assessment for the arrangement of General Meeting in “Excellent” level with 100 full points for 2 consecutive years from Thai Investors Association (TIA).
7. Supervise for the Company to practice according to the principle of corporate governance to be in accordance with the guideline for good corporate governance of the Stock Exchange of Thailand and SEC Office. As a result, the Company had received the assessment for the corporate governance in “Excellent” level in the Survey of Corporate Governance of Registered Company of the Year 2019.

The Corporate Governance Committee is aware of the importance of governance for the Company to comply with the Good Corporate Governance Policy and the business ethics strictly with the agreement that the good corporate governance will be an important factor that will create the value in the operation of the Company. Therefore, the governance must be improved to be equivalent to the international standard in order to create the confidence to the stakeholders that the Company is able to make the business to grow continuously with sustainability.

**Mrs. Kongkeaw Piamduaytham**  
Chairman of Corporate Governance

## REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

To the Shareholders

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 2019, 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. Consider the selection of qualified persons to be appointed as the Company's directors in place of the directors who are interim resignation in order to propose to the Board of Directors to consider the appointment of a director in place of the resigned director
3. 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.

4. 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.

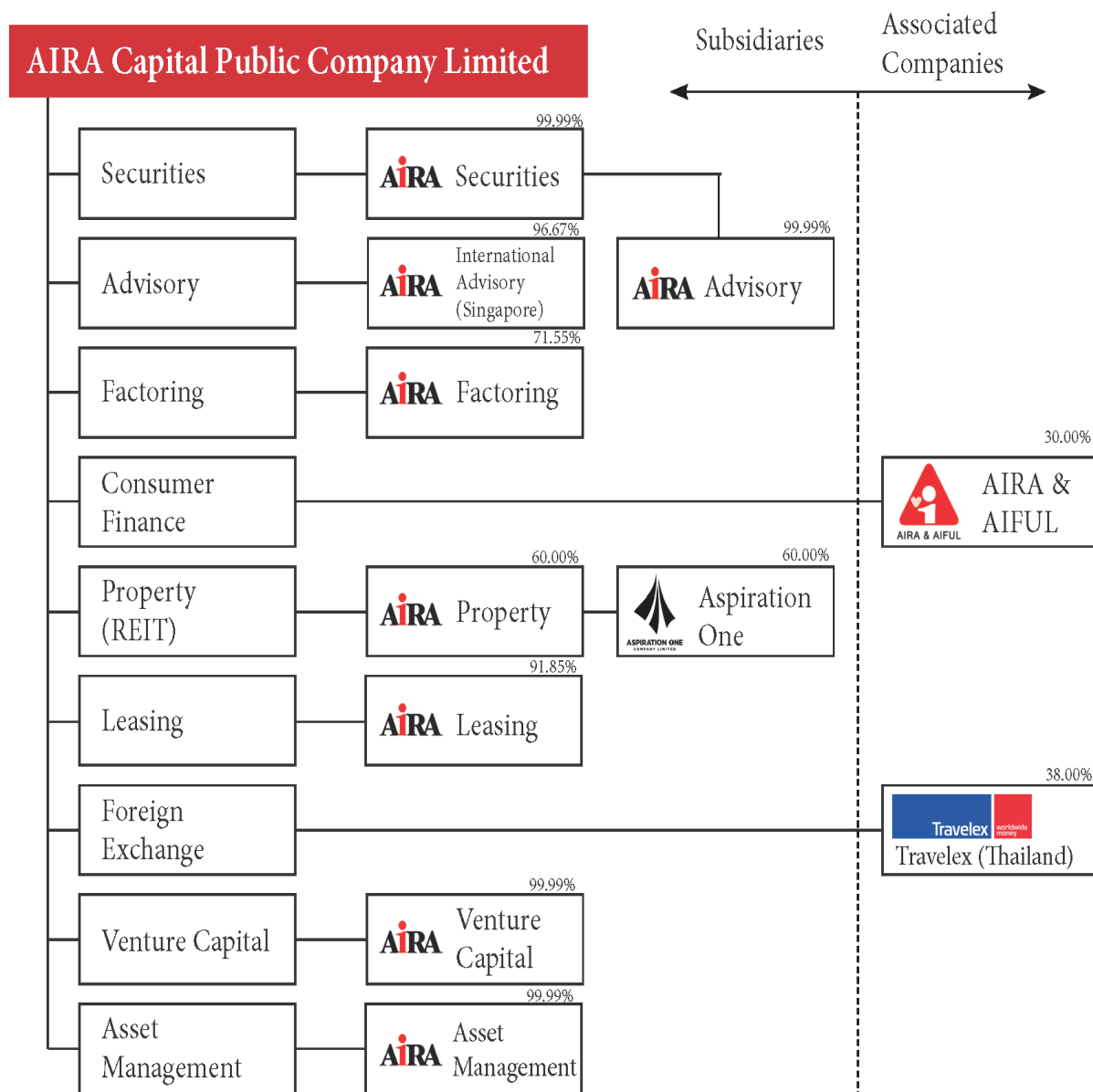
5. Arrange the performance appraisal of the Nomination and Remuneration Committee and assess the performance of Chief Executive Director and report to the Company's Directors.

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

## AIRA GROUP'S SHAREHOLDING STRUCTURE

As at 31 December 2019, the Company's shareholding structure is as follows:



The details of the subsidiary / associated company stated on the topic "Nature of business operations of 11 subsidiary companies / associated companies", which is a juristic person that the company holding 10 percent or more.

## REVENUE STRUCTURE

Revenue structure of the company and its subsidiaries from 2017 to 2019

Revenue structure of the company and its subsidiaries	Source of revenue*	2017		2018		2019	
	Proportion % of 2019	million Baht	%	million Baht	%	million Baht	%
(1) Brokerage fees	AS	325.58	41.88	324.80	40.29	271.71	34.70
(2) Interest income from factoring	AF	172.27	22.16	179.72	22.30	177.20	22.63
(3) Fees and services income	AF (71.0%), AD (18.5%), AS (10.5%)	61.09	7.86	68.45	8.49	67.29	8.59
(4) Gain on investments	AS	8.04	1.03	-	-	7.30	0.93
(5) Interest and dividend	AC (4.6%), AS (74.5%) AF (8.6%), AIL (9.7%) ASP1, AIP, AD, AIAM, AVC (total 2.6%)	57.71	7.42	45.96	5.70	51.20	6.54
(6) Interest on margin loans	AS	83.63	10.76	90.74	11.26	77.77	9.93
(7) Hire purchase and finance lease income	AIL	10.82	1.39	39.05	4.84	75.63	9.66
(8) Rental and services income	AIL	51.04	6.57	51.50	6.39	47.79	6.10
(9) Other incomes	AIL (39.8%) ASP1 (36.5%) AF (17.6%) AS, AIAM, AC, AIAS (total 6.1%)	7.23	0.93	5.87	0.73	7.16	0.92
Total Revenues		777.43	100.00	806.09	100.00	783.05	100.00

Remark: \* Revenue from subsidiaries

## BUSINESS OPERATIONS

AIRA Capital Public Company Limited has operated as a holding company. At present, the Company has 9 subsidiaries and 2 associates.

### 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% on 24 June 2010, and had control over AS since 24 June 2010 onwards. At present, registered capital of AS is 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 in various 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); 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; Sri Pratum University branch; Muang Thong Thani branch; Nakhon Sawan branch; Chiangmai branch; Phaholyothin branch; Suratthani branch and Ratchaburi 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 range consulting services, focusing on financial advisory supporting listing of company in Stock Market, takeover, providing independence opinion on related transactions including acquiring and disposal of assets transactions of Thai listed companies, debt restructuring, and mergers and acquisitions.

AD has been granted a license 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.

## **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, converted into public company limited on 22 April 2016. At present, the Company holds 60 percent, where its alliances, Kenedix Asia Pte. Ltd., Japan holds 20 percent of shares and Eugene Investment & Securities Co., Ltd., Korea holds 20 percent of shares. At present, AIP has a registered capital of Baht 1,000 million, which consists of the fully-paid up capital of Baht 650 million, divided into 65,000,000 shares at the par value of Baht 10 per share.

AIP has operated as a Holding Company and has invested in Aspiration One Company Limited in 2015. Aspiration One Company Limited has engaged in developing office building for rent. The building is located at Ratchathewi intersection. The building’s development and construction had started since 2017 and completed at the end of 2019. The building is now available to use and the Company has started recognizing rental income from 2020 onward.

#### 4.1) Aspiration One Company Limited

Aspiration One Company Limited (“ASP1”) was incorporated on 25 September 2015, as a subsidiary of AIP. The Company holds 60 percent of shares, and its alliances, SENA Development Public Company Limited holds 25 percent shares and Sang Fah Construction and Engineering Co., Ltd. holds 15 percent of 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 750.25 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 7.50 per share.

ASP1 engages in real estate development business. The company has developed an office building for rent under the name “Spring Tower” located at Ratchathewi Intersection. The land is owned by the Crown Property Bureau with 30 years lease contract and is entitled to be renewed for another 30 years. This Grade A, LEED Goal Certification Targeted 27-storey office building with 27,255 sqm lettable area has won the Asia Pacific Property Awards 2018-2019. The development and construction of building has completed and be available to use at the end of 2019 with prospective clients approximated 60% of total capacity.

#### 5) AIRA Leasing Public Company Limited

AIRA Leasing Public Company Limited (“AIL”), the former was named Rent-A-V Company Limited, converted into public company limited and changed name to AIRA Leasing Public Company Limited on 5 July 2016, the Company holds 91.85 percent of shares. 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 an Operating Lease for industrial equipment and machine/Equipment used in the financial lease industry, hire purchase and operating lease with an objective to be listed in the Stock Exchange of Thailand.

#### 6) AIRA Venture Capital Limited

AIRA Venture Capital Limited (“AVC”) was incorporated on 20 December 2016, with 99.99 percent shares. 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 Venture Capital business, investing in potential companies in 10 industries under the certification of the National Science and Technology Development Agency (NSTDA) according to duty policy 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, with 99.99 percent shares. 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 has operated Wealth and Investment Management by providing Investment Advisory services.

The overall business of the 2 Associate 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 is a public company under the laws of Thailand providing consumer finance service with the objective to be listed in the Stock Exchange of Thailand.

#### 2) TRAVELEX (Thailand) Limited

TRAVELEX (Thailand) Limited (“TVXT”) was incorporated on 15 September 2016, the company holds 38 percent of shares, 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 is an Authorized Money Changer according to guidelines and practices of Bank of Thailand and Ministry of Finance to operate currency exchange business and provide 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 Associate’s 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, Leasing Business, Advisory Business (including Financial Advisory, Cross-border Mergers and acquisition), Personal Loan Business, Property Business, Foreign exchange business and Asset Management Business.

Regarding to company's investment is investment in other company's share, therefore investors would be concerned and considered about risk factors that may be occurred from business operation. Moreover, investor must have clearly understand that list of risk factors 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 and have core business by holding shares in other companies, then, performance of company is based on the operating results and dividends from its subsidiaries and affiliates.**

The company's core business is holding shares in other companies (as Holding Company), In general, it understood that the company has no main operating revenue but company's main income comes from receiving dividends from their company/s 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 non-performing 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, these may affect to company's ability to pay dividends to company's 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) through their audit committee then reporting to the Board of Director. Moreover, the

company also monitoring subsidiaries and affiliates' performance via Investment department, which will focus on its performance and purpose to the Investment committee for consideration. Lastly, the company 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 department via Risk Management Committee and/or Risk Management Department of the subsidiary and affiliates. Then, This risk management can be concluded from company's important and significant subsidiaries and affiliates companies as following,

#### **1.1 Risk from subsidiary company that operate securities business**

##### **1) Risk from the SET's volatility and prop trade**

The global and domestic economic volatility may have an impact on fund flows and the investors' confidence on the investment in the SET. Therefore, the situation that the SET becomes highly volatile and discourages the investment may cause a decline in average daily turnover and may consequently have an impact on the revenues from the securities brokerage and derivatives brokerages businesses. To protect risk from this impact, the company has an approach to diversify its revenue sources to several businesses to be suitable to various market circumstances such as the securities borrowing and lending business and the selling agent business, financial advisor business as well.

##### **2) Risk from high competition in the securities business**

The SET's and the SEC's announcements on the liberalization of securities business licenses and the liberalization of brokerage fee have a direct impact on high competitions among the securities industry and also the profitability of the whole securities companies. The company has been aware of such risk and prepared to enhance competitive advantages both in terms of financial positions and business strategies such as diversifying its revenue sources to several businesses, improving quality of research papers, enhancing workflow efficiency to cope with clients' changing needs as well as developing human resources' competencies and increase competitiveness.

##### **3) Risk from the financial advisory business**

The company is prudently selective with respect to its clients and studies clients' preliminary information before accepting the deal. In addition, company also prudently determines the appropriate steps with respect to the due diligence process and keeps its staff fully educated on regulations issued by the SEC and the SET, as well as rules and regulations regarding service providers and supervisors in order to ensure that the services provided are effective and in line with the relevant rules and regulations.

##### **4) Risk from underwriting and firm underwriting business**

The company may suffer losses from the investment in under-subscribed securities from the underwriting business. Such losses may arise from the firm underwriting as a result of an inappropriate quantity and share

price or from the SET's volatility, as well as fluctuations in interest rate and foreign exchange rate; all of which could possibly undermine investors' interest in the newly listed companies. To minimize such risk, company conducts preliminary studies to analyze and investigate the issuers' business profile, industry condition, company performance, future prospects and condition attached to the underwritten securities.

#### 5) Risk from changing technology

Changing technology may affect investors' behaviors and also business models such as internet trading or online trading, e-document and paperless storage as well. The company has studying the feasibility of developing and implementing the innovations and technologies for an efficient delivery of products and services to clients to catch up with other service providers in the industry.

#### 6) Risk from doubtful debts and bad debts

The company has mitigated and prudently selective with respect to its clients and studies clients' preliminary information before accepting the deal and provide correct and suitable credit limit to client, to understand client's need. Moreover, the company also review and monitoring client's financial status and also has efficiency collection system to follow up debts.

### 1.2 Risk from subsidiary company that operate factoring business

#### 1) Credit risk

The company has established the credit policy and credit scoring system to evaluate repayment capability of customer, then provide credit line only to the customer who has good score from credit scoring. Furthermore, the company has credit operations department which monitoring; and controlling loan services to assure that loan services procedure abides by specified condition, and law team to manage credit problem.

#### 2) Risk of source of funding

The company has good relationship with many domestic financial institutions that make sought for additional credit line from them also. Then, it makes company can efficiently manage and balancing loan to customer and source of funding company as well. Moreover, regarding to almost of customer are mainly in modern trade business and car equipment manufacture factory that they have exactly date of repayment. That, makes company effectively manage in liquidity and cash flow.

#### 3) Risk from major customer concentration

The company has policy to increase target of customer from major customer to customer from SMEs group business, which qualification of this potential customer must have strong background in financial and have good record in loan repayment historical as well. To increase new group from variety of businesses will help the company can reduce risk from concentration only on major customer in future.

4) Interest rate risk

The interest rate is the major factors, which effect on the income and expenses of company. The main source of income is the interests earning on financing, which are calculated at fixed rates, while funding costs from financial institutions are float rates which base on the market rate. Therefore, the fluctuation of the market interest rate can effect on the company's interest margin. However, since that the buy-in duration of company loans regarding factoring is short-term loan, the company can be flexible to adjust the interest rate used with customers to keep the spread.

5) Market risk

Due to high competitiveness in factoring market. The company can still maintain and commit to offer a good quality service to customer that will make company can be a major player in market. Moreover, due to the company has strict credit approval consideration and has a good monitoring measure for customer repayment process that make company can focus on an increase in the proportion of loan to customer.

6) Operational risk

Due to the company has plan to develop company's operation by using IT such as E-factoring is one of system that this system will help company to connect with customer more easily. However, this system is on process of developing and it is expected to be implemented soon. Then, this development will help company to reduce risk from mistake of documentation from human and help company to efficiently monitoring and review any mistake on time.

### 1.3 Risk from subsidiary company that operate leasing business

1) Risk of mismatching between the term loan and source of fund

Mismatching between the term loan and source of fund is a major factor, which effect on the company's income and expenses. The main source of income is the interests earning on financing, which is calculated at fixed rates, while funding costs from financial institutions or investor are float rates, which base on the market rate. Therefore, the fluctuation of the market interest rate can effect on the company's interest margin. To prevent risk from this mismatching, the company markup more high interest rate to cover this fluctuation of interest rate.

2) Market risk

For the part of leasing business, the competition rate of financial institution is still continuously higher and higher both commercial bank and non-bank. The company uses professionally operation by developing and delivering a better quality and service. Granting service facility that is corresponding and meeting customer's need which building satisfaction in using service continuously.

### 3) Risk from sell-lease back product

Although financing in sell-lease back from used car and used machinery will face up with higher risk, but it generates higher return. To reduce risk from this product, the company has set out a policy to finance in sell-lease back product. A stringent credit approval policy for used car/machinery is set out. Additionally, the Company maintains good relationship with a number of used car used machinery dealers. Moreover, the company also has debt management staffs with high experience in debt monitoring, collection and car/machinery repossession. Thus, the company has no loss incurred from sell-lease back product.

### 4) Risk from NPL

Risk of non-performing loans is one of the risks which might arise as a result of loan. Thus as a credit provider, the Company need to have qualified strict credit control and standard debt collection system. To prevent the risk arising from non-performing loans, the Company hence have laid out the measures comprising screening of quality employees and customers, being strict and careful in credit approval process and building up an effective credit control and collection system. In FY 2019, the company can control NPL in low amount.

## 2. 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.

**3. The risk of operations of the company under the control of a group of major shareholders, who hold more than a 50 percent stake in the company.**

Group of major shareholders, who hold more than 50 percent stake of the company which comprise of JRK Holdings Limited ("JRK Holdings") and Jurangkool family. As of 31 December 2019, they have shareholder is 67.33% of total stake of the paid-up capital of the company. The risk is that when a group of major shareholder is 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.

**4. 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.

## 5. Risk of impairment of goodwill.

As of December 31, 2019 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. The auditor will also revisit the impairment of goodwill 137.74 million baht in every accounting period and record allowance for impairment (if any). Thus, the company might be at risk, in case, the auditor has determined that goodwill should be impaired. This mentioned impairment will have an impact to income statement of the company.

## 6. Risk from human resources

The company and its subsidiary have the policy that determine the compensation and benefits based on their roles and responsibilities across all employee levels as well as the SET's rules and sets the compensation and benefits to ensure that the employees to receive appropriate, fair and competitive compensation and benefits comparable to other leading companies. Moreover, The company also focusing on employees' trainings covering Code of Ethics, Compliance Manual for Employees, regulatory guidelines, risk management and the Anti Bribery and Corruption Policy as well.

## 7. Risk from IT

Regarding to company is operating business in financial services segment, it is normal that company will have many IT System to support on their business operation and staff's operation. Then, IT problem or failure in part of dis-operation nor dis-continue of IT system may lead company to be fined and be suspended from related regulators accordingly. Moreover, IT risk may impact to decreasing of company's confidential of customer to company, which finally it shall impact to decreasing of company's share's price accordingly. To confront and control with IT risk, company will mitigate this risk to AIRA Securities, who is IT expert in their business is related to IT to take this responsibility.

## 8. Risk from legal and compliance

The company and its subsidiary have to comply with many applicable laws, rules and regulations in relation to the SET and MAI. Furthermore, the company has to comply with the aforementioned laws, rules and regulations, particularly the amendments or additions thereof, may affect 's performances of company. Then to prevent Legal and Compliance risk, the company has setup specific person in charge to control and monitoring all operation all company's staff to comply.

### 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”), Aspiration One Company Limited (“ASP1”), AIRA Leasing Public Company Limited (“AIL”), 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 2019 in which JRK Holdings Limited (“JRK”) held 36.68% shares in AIRA Capital Public Company Limited , thus making the following persons become the person who may have conflicts of interest with the Company and its subsidiaries pursuant to a definition “the person who may have conflicts of interest” under the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 regarding Application for and Approval of Offer for Sale of Newly Issued Shares and under the Notification of the Securities and Exchange Commission regarding Determination of Definitions in the Notification on the Issuance and Offer for Sale of Securities.

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

This includes such persons’ spouse and children.

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

Transactions between the Company and its subsidiaries, related companies, and persons who may have conflicts of interest for the year 2018 and 2019 are detailed as follows:

Transactions	Amount (million Baht)				Characters and details of transactions	Opinions of the Audit Committee: rationale for the transactions / pricing and conditions
	Amount during the year 2018	Balance as at 31 December 2018	Amount during the year 2019	Balance as at 31 December 2019		
Transactions between AC and AI						
Short-term loan to AI	15.86	70.25	17.97	88.22	AC has lent AI short-term loan. Such loan is unsecured, bearing interest rate of 2.0% per annum, and mature on 17 April 2020.	The Audit Committee is of the opinion that such transaction is reasonable as the rate of interest is in accordance with market conditions.
Interest income	1.26	0.29	1.57	0.36	Interest income from short-term loan to AI	The Audit Committee is of the opinion that such transaction is reasonable as the rate of interest is in accordance with market conditions.
Transactions between AC and AIL						
Short-term loans to AIL	460.0	500.0	-	500	AC has lent AIL short-term loan. Such loan is unsecured, bearing interest rate of 2.0% per annum, and due at call.	The Audit Committee is of the opinion that such transaction is reasonable as the rate of interest is in accordance with market conditions.
Interest income	5.04	-	10.0	-	Interest income from short-term loan to AIL	The Audit Committee is of the opinion that such transaction is reasonable as the rate of interest is in accordance with market conditions.
Transactions between AS and A&A						
AS has purchased bill of exchange of A&A	4,939.07	-	5,123.38	-	AS has invested in the bonds of A&A for managing the short-term liquidity purpose.	The Audit Committee is of the opinion that such transaction is reasonable as the rate of interest is in accordance with market conditions.

Transactions	Amount (million Baht)				Characters and details of transactions	Opinions of the Audit Committee: rationale for the transactions / pricing and conditions
	Amount during the year 2018	Balance as at 31 December 2018	Amount during the year 2019	Balance as at 31 December 2019		
Transactions between AS and major shareholders of the Company and its subsidiaries						
Sales of bills of exchange	6,441.80	49.93	5,248.81	10.00	AS has sold investments in the bond of AS in order to increase its working capital, improve liquidity, and accommodate payment of securities traded with customers.	The Audit Committee is of the opinion that such transaction is reasonable 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.
Issued and offered to sell subordinated debentures	-	40.00	40.00	40.00	AS issued and offered to sell subordinated debentures	The Audit Committee is of the opinion that such transaction is reasonable 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	(5.52)	5.39	(5.16)	0.23	Such receivables arose from transactions in normal business operation 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	Amount (million Baht)				Characters and details of transactions	Opinions of the Audit Committee: rationale for the transactions / pricing and conditions
	Amount during the year 2018	Balance as at 31 December 2018	Amount during the year 2019	Balance as at 31 December 2019		
Securities and derivatives business payables	(43.44)	0.34	8.75	9.09	Such payables arose from transactions in normal business operation 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 collateral	(62.34)	132.20	3.49	135.69	Such collateral arose from transactions in normal business operation 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 from trading securities	12.57	1.61	10.01	-	Such fees arose from transactions in normal business operation 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 / interest payable of bill of exchange	9.45	0.50	4.08	0.50	Such transactions represented interest expense of subordinated debentures, bill of exchange, and investments in bonds. Such interest arose from transactions in normal business operation 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 +.

Transactions	Amount (million Baht)				Characters and details of transactions	Opinions of the Audit Committee: rationale for the transactions / pricing and conditions
	Amount during the year 2018	Balance as at 31 December 2018	Amount during the year 2019	Balance as at 31 December 2019		
Fees and services income	0.72	-	-	-	Such transactions represented fees charging 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.
<b>Transactions between AS, directors and executives in the Company and its subsidiaries</b>						
Securities and derivatives business receivables	0.14	0.14	0.04	0.18	Such receivables arose from transactions in normal business operation 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	(6.27)	-	-	-	Such payables arose from transactions in normal business operation 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 collateral	(16.06)	2.55	0.25	2.80	Such collateral arose from transactions in normal business operation 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 from trading securities	0.37	-	0.26	-	Such fees arose from transactions in normal business operation with general commercial terms.	The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms with policy which brokerage rates are charged to general customers.

Transactions	Amount (million Baht)				Characters and details of transactions	Opinions of the Audit Committee: rationale for the transactions / pricing and conditions
	Amount during the year 2018	Balance as at 31 December 2018	Amount during the year 2019	Balance as at 31 December 2019		
Interest expense / interest payable of bill of exchange	0.07	-	-	-	Such transactions represented interest expense of subordinated debentures, bill of exchange, and investments in the bonds. Such interest arose from transactions in normal business operation 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 +.
Transactions between AS and its related companies						
Brokerage fees income from trading securities	0.30	-	-	-	Such fees arose from transactions in normal business operation 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.
Service Fee and Advisory Fee	2.00	0.12	1.30	0.12	Such service and advisory fee charged to related companies arose from transactions in normal business operation 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 service and advisory fees are charged to general customers.

## **2. Pricing policy for related party transactions**

Related party transactions were done for the Company's interests. In entering into related party transactions, the Company shall provide information and seek approval from the Audit Committee and/or the Board of Directors to ensure reasonableness and validity of pricing and conditions of the transactions as to whether or not the transactions are in accordance with the normal business practices. Moreover, the Board of Directors must manage to ensure that the Company has complied with the laws regarding the Securities and Stock Exchange, Notifications of the Capital Market Supervisory Board, including regulations, notifications, orders and any requirements of the Stock Exchange of Thailand as well as the compliance with the requirement on the disclosure of information regarding connected transactions, acquisition, and 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 any transaction with a person who may have conflicts of interest or benefits, or may have the conflict of interest in the future, the Audit Committee shall provide opinions on necessity in entering into such transaction and appropriateness of pricing. The Audit Committee shall consider if such transaction is in accordance with general trading condition and consider price comparing with independent third party. In case where the Audit Committee has no expertise in considering any specific related party transactions, the Company shall seek comments from an independent expert or auditor regarding such related party transactions to support in decision making of the Audit Committee and/or the Company's Board of Directors and/or shareholders, as the case may be. The Company shall disclose 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 entering into related party transactions or agreements, the Company must consider carefully and prudently, that such related party transactions are for the normal course of business in order to create fair benefits for the Company and its shareholders.

## **4. Measures or procedures in approving related party transactions**

The Company has emphasized on prevention of the conflict of interest arising from entering into 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 highest benefit of the Company and its shareholders.

## 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 business transactions with a clear policy and fair treatment for both connected persons and general trading partners with consideration of business practices and ethics. Moreover, there shall be an approval process under the Company's rules which complies 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.

Entering into related party transactions between the Company and its affiliated companies or related persons shall be the transactions arising from normal business operations as well as provision of supportive services between its affiliated companies to create benefits to shareholders under the ethics framework.

For entering into 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, loan from 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 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.

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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:	6,314,878,533 shares at the value of Baht 0.25 (as at 31 December 2019)
Issued and fully-paid up capital:	Baht 1,578,719,633.25 (as at 31 December 2019)

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Head office address:	319 Chamchuri Square Building 12th Floor Phayathai Road, Pathumwan Bangkok 10330 Website: <a href="https://www.airacapital.co.th">https://www.airacapital.co.th</a> Tel: 0 2080 2999, Fax: 0 2160 5395
Corporate Secretary office:	Tel: 0 2080 2980, Fax: 0 2160 5395
Investor Relations:	Tel: 0 2080 2999, Fax: 0 2160 5395 E-mail: <a href="mailto:IR@aira.co.th">IR@aira.co.th</a>

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#### Reference person

- **Securities Registrar**

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

- **Auditor**

Deloitte Touche Tohmatsu Jaiyos  
Audit Co., Ltd.  
AIA Sathorn Tower, 23<sup>rd</sup> – 27<sup>th</sup> Floor  
11/1 South Sathorn Road, Yannawa,  
Sathorn Bangkok 10120  
Tel: 0 2034 0000  
Fax: 0 2034 0100  
Website: [www.deloitte.com](http://www.deloitte.com)

## Issuance of other securities

The Company issued and other securities, the Warrants to purchase the newly issued Ordinary Shares of AIRA Capital Public Company Limited, with reference to the Extraordinary General Meeting of Shareholders No. 1/2558 held on 19 June 2015. The Meeting resolved to approve the allocation of the Warrants to existing shareholders of the Company who exercised its rights to purchase new ordinary shares pro rata to their respective shareholdings (Rights Offering), at no cost, at the allocation ratio of 2 existing ordinary shares for 1 unit of warrant with the Company. The Company stipulated the issuance and allocation of the Warrants into two types as follows:

- (1) The Warrants to purchase the Newly Ordinary Shares of AIRA Capital Public Company Limited No. 1 (AIRA-W1) which to be entitled the last exercise date on 2 August 2018.
- (2) The Warrants to purchase the Newly Ordinary Shares of AIRA Capital Public Company Limited No. 2 (AIRA-W2) which to be entitled the last exercise date on 2 August 2019 as per following details.

### Key features of AIRA-W2

The Registration Date of Securities:	Started selling on 14 August 2015.
Number of Warrants issued:	781,886,827 units
Number of newly issued ordinary shares reserved to accommodate exercise of the Warrants:	781,886,827 shares
Exercise ratio:	1 unit of the Warrant entitled to purchase 1 newly issued ordinary share at 3.50 Baht/share (the exercise price may be adjusted in pursuant to the condition concerning the rights adjustment.)
Terms of Warrants:	4 years from the issuance date (the issuance date of the Warrants on 3 August 2015 and the expiration and the last exercise date on 2 August 2019)

The Warrants stipulated its rights of the holders to exercise during the life of warrants for 16 times as follows:

NO.	AIRA-W2 Exercise Date
1	Friday, October 30, 2015
2	Friday, January 29, 2016
3	Friday, April 29, 2016
4	Friday, July 29, 2016
5	Monday, October 31, 2016
6	Tuesday, January 31, 2017
7	Friday, April 28, 2017
8	Monday, July 31, 2017
9	Tuesday, October 31, 2017
10	Wednesday, January 31, 2018
11	Monday, April 30, 2018
12	Tuesday, July 31, 2018
13	Wednesday, October 31, 2018
14	Thursday, January 31, 2019
15	Tuesday, April 30, 2019
16	Friday, August 2, 2019

\* As at 2 August 2019, the last exercise date of AIRA-W2, there were number of newly issued ordinary shares remained at 781,886,732 shares.

AIRA-W2 remained: The Company cannot allocate or sell the Warrants on other purposes. Therefore, the Company will submit the request for cancellation of remained newly ordinary shares by reduction of registered capital of the Company to the General Shareholders Meeting Year 2020 for approval.

*Remark:* The investor may additionally study the securities-issuing Company's information from the annual information display form (Form no. 56-1), which can be seen at [www.sec.or.th](http://www.sec.or.th) or on the website of AIRA Capital Public Company Limited <https://www.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 2019 as follows:

No.	Major Shareholders	Number of Shares	Percentage (%)
1	J R K Holding Company Limited	2,316,497,280	36.68
2	Mr. Thaveechat Jurangkool	1,380,696,898	21.86
3	Mrs. Nalinee Ngamsetthamas	331,698,230	5.25
4	Mr. Nutthaphon Jurangkool	304,949,900	4.83
5	Mr. Komol Jungrunreangkit	304,169,101	4.82
6	Summit Footwear Company Limited	192,401,300	3.05
7	Mrs. Nicha Smithivas	192,029,600	3.04
8	Ms. Nida Sae-Lee	166,015,300	2.63
9	Mr. Wutthiphum Jurangkool	165,000,000	2.61
10	Ms. Ornnicha Ngamsetthamas	118,491,041	1.88

The 1st shareholder is the same group as the Jurangkool family, which are related to shareholders No. 2, 4 and 9

## *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.

The header for the "LEGAL DISPUTES" section is located on the left side of the page. It consists of a white rectangular box with a blue border and a blue shadow. The text "LEGAL DISPUTES" is written in a blue, sans-serif font. To the left of the box are three blue diagonal lines of varying lengths.

As of December 31, 2019, 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.

## Board of Directors



**Mr. Nopporn Picha**

**Age 71 Years / Thai**

Independent Director

Acting Chairman and Chairman of Audit Committee

► **Appointment** April 22, 2010

April 25, 2016 (1<sup>st</sup> re-elected)

April 26, 2019 (2<sup>nd</sup> re-elected)

► **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)**

- Role of Chairman Program (RCP) Class 44/2019
- Corporate Governance for Capital Market Intermediaries (CGI) Class 3/2015
- Advance Audit Committee Program (AAP) 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 : 2 Companies**

October 2019 – Present Acting Chairman

2018 – Present AIRA Capital Public Company Limited

Chairman of Audit Committee and Independent Director  
Chumporn Palm Oil Industry Plc.

2010 – Present Chairman of Audit Committee and Independent Director  
AIRA Capital Public Company Limited

► **Board member/Management in Non - Listed Company : 5 Companies**

2018 – Present Sub-Audit Committee Pinkanakorn Development Agency  
(Public Organization)

2017 – Present Qualified Director, Srinakharinwirot University

2016 – Present Qualified Director, Walailak University

2011 – Present Qualified Director, Chiang Mai University

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)**

2015 – 2017 Director

Siam Smile Broker (Thailand) Company Limited

2010 – 2017 Director

Ratchaburi World Cogeneration Co.,Ltd.

2007 – 2015 Chairman

Viet World Company Limited

► **Shareholding** 41 shares (0.000%)

as of December 31, 2019

► **Position in conflict of interest to the company : 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**

► **History of potential conflict of interest with the Company in the past year : None**



**Associate Professor Niputh Jitprasonk**

**Age 76 Years / Thai**

Independent Director

Chairman of Nomination and Remuneration Committee

Member of Risk Management Committee

- ▶ **Appointment** August 27, 2010  
March 18, 2014 (1<sup>st</sup> re-election)  
April 24, 2016 (2<sup>nd</sup> re-election)

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

▶ **Board member/Management in Listed Company - The Stock**

**Exchange of Thailand : 3 Companies**

- |                |  |
|----------------|--|
| 2010 – Present | Independent Director, Chairman of Nomination and remuneration Committee and Member of Risk Management 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 Member of Audit Committee, Lalin Property Public Company Limited  |

▶ **Board member/Management in Non - Listed Company : 1 Company**

- |                |                                  |
|----------------|----------------------------------|
| 2008 – Present | Director, AIRA Advisory Co.,Ltd. |
|----------------|----------------------------------|

▶ **Position in Other Organization/Institutions : None**

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

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

▶ **Shareholding** 300,000 shares (0.0048%)  
as of December 31, 2019

▶ **Position in conflict of interest to the company : 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**

▶ **History of potential conflict of interest with the Company in the past year : None**



**Mrs. Kongkeaw Piamduaytham**

**Age 67 Years / Thai**

Authorized Director

Chairman of Good Governance Committee

- ▶ **Appointment** August 27, 2010  
April 30, 2015 (1<sup>st</sup> re-election)  
April 30, 2018 (2<sup>nd</sup> re-election)

▶ **Education / Training**

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

▶ **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 : 2 Companies**

- 2012 – Present Independent Director and 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 : 1 Company**

- 2009 – Present Advisor, AIRA Securities Public Company Limited

▶ **Position in Other Organization/Institutions : None**

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

- 2011 – 2019 Chairman of Audit Committee, PAPOP Company Limited

▶ **Shareholding** 17,851,906 shares (0.2827%)  
as of December 31, 2019

▶ **Position in conflict of interest to the company : 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**

▶ **History of potential conflict of interest with the Company in the past year : None**



**Mr. Prinya Waiwatana**

**Age 71 Years / Thai**

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

- ▶ **Appointment** April 22, 2010  
March 18, 2014 (1<sup>st</sup> re-election)  
April 24, 2017 (2<sup>nd</sup> re-election)
- ▶ **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 :** 4 Companies
 

2018 – Present	Independent Director, Navanakorn Public Company Limited
2010 – Present	Independent Director, Chairman of the Risk Management Committee, Member of Investment Committee and Member of 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, Chairman of Audit Committee and Chairman of Corporate Good Governance and Member of Remuneration Committee, Thai Steel Cable Public Company Limited
- ▶ **Board member/Management in Non in Listed Company :** None
- ▶ **Position in Other Organization/Institutions :** None
- ▶ **Shareholding** 367,021 shares (0.0058%)  
as of December 31, 2019
- ▶ **Position in conflict of interest to the company :** 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
- ▶ **History of potential conflict of interest with the Company in the past year :** None



**Mrs. Chiraporn Chemnasiri**

**Age 71 Years / Thai**

Independent Director Audit Committee and Good Governance Committee

- ▶ **Appointment** April 22, 2010  
March 18, 2014 (1<sup>st</sup> re-election)  
April 24, 2017 (2<sup>nd</sup> re-election)
- ▶ **Education / Training**
  - Bachelor of Accounting, Chulalongkorn University
- ▶ **Director Training from Thai Institute of Directors Association (IOD)**
  - Role of The Chairman Program (RCP) Class 43/2018
  - Corporate Governance for Capital Market Intermediaries (CGI) Class 0/2014
  - Advanced Audit Committee Program Class (AACP) Class 14/2014
  - 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 : 2 Companies**
  - 2017 – Present Independent Director Chairman of the Audit Committee and Member of Nomination and Remuneration Committee, Nok Airline Public Company Limited
  - 2017 – Present Independent Director and Member of Audit Committee and Member of Corporate Governance, AIRA Capital Public Company Limited
- ▶ **Board member/Management in Non - Listed Company : 5 Companies**
  - 2008 – Present Independent Director and Member of Audit Committee, AIRA Securities Public Company Limited
  - 2005 – Present Director, SRI Consultant Limited
  - 1994 – Present Director, Grid Business Solutions Limited
  - 1989 – Present Director, Managerial Excellent Limited
  - 1988 – Present Director, Taraporn Company Limited
- ▶ **Position in Other Organization/Institutions : None**
- ▶ **Work Experience (5 Years Past Experiences)**
  - 1998 – 2009 Executive Vice President (Planning and Finance) Airports of Thailand Public Company Limited
- ▶ **Shareholding** 599,882 shares, Spouse 7,250,508 shares (0.1243%)  
as of December 31, 2019
- ▶ **Position in conflict of interest to the company : 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**
- ▶ **History of potential conflict of interest with the Company in the past year : None**



**Associate Professor Anchalee Pipatanasern**

**Age 67 Years / Thai**

Independent Director

Audit Committee

- ▶ **Appointment** April 22, 2010  
April 30, 2015 (1<sup>st</sup> re-election)  
April 30, 2018 (2<sup>nd</sup> re-election)

▶ **Education / Training**

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

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

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

▶ **Board member/Management in Listed Company – The Stock**

**Exchange of Thailand : 3 Companies**

- 2017 – Present Independent Director and Member of Audit Committee  
Khon Kaen Sugar Industry Public Company Limited
- 2010 – Present Independent Director and Member 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 : 1 Company**

- 2009 – Present Independent Director and Audit Committee  
AIRA Securities Public Company Limited

▶ **Position in Other Organization/Institutions : 2 Companies**

- 2012 – Present Sub-Committee  
Secretariat of the Council – Finance and Assets  
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 Vice rector for Finance,  
Thammasat University

▶ **Shareholding** 407,552 shares, Spouse 992,316 shares  
(0.0222%) as of December 31, 2019

▶ **Position in conflict of interest to the company : 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**

▶ **History of potential conflict of interest with the Company  
in the past year : None**



**Mr. Anant Sirisaengtaksin**

**Age 67 Years / Thai**

Independent Director

Member of Risk Management Committee

► **Appointment** August 14, 2014

April 30, 2015 (1<sup>st</sup> re-election)

April 30, 2018 (2<sup>nd</sup> re-election)

► **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 (CMA) Class 13, Capital Market Academy
- National Defense (NDC 2546), The National Defense College

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

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

► **Board member/Management in Listed Company – The Stock**

**Exchange of Thailand : 5 Companies**

- 2019 – Present Independent Director and Chairman of Risk Committee Asia Green Energy Public Company Limited
- 2016 – Present Independent Director, UBIS (Asia) Public Company Limited
- 2016 – Present Independent Director, Chiangmai Rimdoi Public Company Limited
- 2014 – Present Independent Director and Member of 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 : 3 Companies**

- 2017 – Present Independent Director and Member of Audit Committee Villakunalai Company Limited
- 2017 – Present Independent Director and Member of Audit Committee Asian Potash Chaiphum Plc.
- 2016 – Present Authorized Director and Chairman of the Board of Directors AIRA Advisory Company Limited

► **Position in Other Organization/Institutions : None**

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

- 2015 – 2019 Director, SCL Tax Consultant Company Limited
- 2011 – 2014 Advisor Mass Rapid Transit Authority of Thailand
- 2011 – 2014 Director and Member of Audit Committee The Marketing Organization, Ministry of Interior
- 2011 – 2014 Director, Secondary Mortgage Corporation
- 2011 – 2014 Director and Chairman of Audit Committee Bangkok Commercial Asset Management Co., Ltd.
- 2009 – 2011 Deputy Director-General, The Revenue Department

► **Shareholding** None (as of December 31, 2019)

► **Position in conflict of interest to the company : 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**

► **History of potential conflict of interest with the Company in the past year : None**



**M.R. Kasemvisuth Visuthi**

**Age 76 Years / Thai**

Authorized Director

Member of Nomination and Remuneration Committee

► **Appointment** April 22, 2010

April 25, 2016 (1<sup>st</sup> re-election)

April 26, 2019 (2<sup>nd</sup> re-election)

► **Education / Training**

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

► **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 : 1 Company**

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

► **Board member/Management in Non - Listed Company : 1 Company**

2015 – Present Authorized Director  
AIRA Property Public Company Limited

► **Position in Other Organization/Institutions : None**

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

2006 – 2010 Authorized Director  
AIRA Securities Public Company Limited

1995 – 2014 Director  
S.B Realty Company Limited

► **Shareholding** 866,496 shares (0.0137%)  
as of December 31, 2019

► **Position in conflict of interest to the company : 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**

► **History of potential conflict of interest with the Company in the past year : None**



**Mr. Wisoot Karnchanapunyapong**

**Age 59 Years / Thai**

Authorized Director

Member of Investment Committee and

Member of Corporate Good Governance Committee

- ▶ **Appointment** February 23, 2010  
April 25, 2016 (1<sup>st</sup> re-election)  
April 26, 2019 (2<sup>nd</sup> Re-election)

▶ **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 :** 1 Company

- 2019 – Present Authorized Director,  
Member of Investment Committee and  
Member of Good Governance Committee  
AIRA Capital Public Company Limited

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

**Company :** 18 Companies

- 2019 – Present Authorized Director  
Bhumiswadphattana Company Limited
- 2019 – Present Authorized Director  
Nok Mangkang Company Limited
- 2018 – Present Authorized Director  
Nok Scoot Airline Company Limited
- 2018 – Present Authorized Director  
Chalybs Cylinders LTD
- 2017 – Present Authorized Director  
Paresa Corporation Company Limited
- 2017 – Present Authorized Director  
A N D (2017) Company Limited
- 2015 – Present Authorized Director  
Thai Enterprise for Social Company Limited

- 2015 – Present Director  
The P Pakchong Company Limited
- 2015 – Present Director  
The P Sathorn Company Limited
- 2015 – Present Authorized Director  
Thai Business For Social Company Limited
- 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  
The Dharmniti Public Company Limited
- 1993 – Present Authorized Director  
M.B.B.A Company Limited
- 1990 – Present Authorized Director  
Dharmniti Law Office Company Limited
- 1990 – Present Authorized Director  
Dharmniti International Company Limited
- ▶ **Position in Other Organization/Institutions :** 1 Company  
1997 – Present Executive Director  
Thai Business Consultants Association
- ▶ **Shareholding** 696,607 shares (0.0110%)  
as of December 31, 2019
- ▶ **Position in conflict of interest to the company :** 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
- ▶ **History of potential conflict of interest with the Company in the past year :** None



**Mr. Sermsakul Klaikaew**

**Age 61 Years / Thai**

Independent Director

► **Appointment** December 11, 2019

► **Education / Training**

- Bachelor of Engineering Electrical Engineering Kasetsart University
- Master of Science in Management Development Public and private management National Institute of Development Administration. (Class 6)

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

- Directors Certification Program (DCP) Class 215

► **Board member/Management in Listed Company – The Stock Exchange of Thailand : 2 Companies**

December 2019 – Present Independent Director,  
AIRA Capital Public Company Limited

December 2019 – Present Independent Director,  
Tirathai Public Company Limited

► **Board member/Management in Non - Listed Company : None**

► **Position in Other Organization/Institutions : 5 Companies**

2019 – Present Member of Consumer Protection Board  
The office of the National and  
Telecommunications Commission (NBTC)

2017 – Present President  
Kasetsart University Alumni Association Under  
the King's Patronage

2016 – Present Person in the list of directors of state enterprises  
(Director pool), expert in organization  
management and Strategic planning

2015 – Present Vice President  
Thailand Volleyball Association

2015 – Present Member of University Affairs Committee  
Kasetsart University

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

2015 – 2018 The 13<sup>th</sup> Provincial Electricity  
Authority Governor

2014 – 2015 Advisor in Electrical Engineering,  
The Engineering Institute of Thailand of  
Thailand under the patronage (SC)

2015 – 2018 Member of Executive Committee  
The National Electronics and Computer  
Technology Center (NECTEC)

2015 – 2018 Member of Executive Committee  
Srinakarin Garden Foundation Under the  
patronage HRH Princess Srinagarindra

2016 – 2018 Chairman IEEE Power & Energy Society –  
Thailand (IEEE PES)

2016 – 2018 General Chair  
IEEE PES Generation Transmission and  
Distribution Grand International Conference  
and Exposition Asia 2019  
(IEEE PES GTD Asia 2019)

2017 – 2018 Qualified Director of Development Committee  
National Science and Technology  
Development Agency (NSTDA)

2017 – 2018 Director of Kasetsart University Alumni  
Association Under the King's

► **Shareholding** None (as of December 31, 2019)

► **Position in conflict of interest to the company : 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**

► **History of potential conflict of interest with the Company  
in the past year : None**



**Mr. Pakorn Malakul Na Ayudhya**

**Age 77 Years / Thai**

Independent Director

Chairman of the Board of Director

► **Appointment** February 25, 2016  
April 26, 2019 (re-elected)

► **Resigned:** October 1, 2019

► **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 : 2 Companies**

- 2018 – Present Chairman of the Board of Directors  
Starflex Public Company Limited
- 2014 – Present Chairman of the Board of Directors  
Interlink Telecom Public Company Limited

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

**Company :** 1 Company

- 2007 – Present Deputy Chairman, Chairman of the  
Nomination and Compensation Committee  
and Audit Committee  
Standard Charter Bank (Thai) Plc.

► **Position in Other Organization/Institutions : 4 Companies**

- 2016 – Present Chairman Associate of Capital Market Academy
- 2014 – Present Expert on Corporate Governance and Social Responsibility  
Stock Exchange of Thailand
- 2012 – Present Sub Committee for the screening of  
directors of State Enterprise
- 2012 – Present Vice Chairman  
Institute of Research and Development  
for Public Enterprise

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

- 2016 – 30 September 2019 Independent Director and  
Chairman of the Board of Directors  
AIRA Capital Plc.
- 2015 – 30 September 2019 Chairman of the Board of Directors  
AIRA Property Plc.
- 2009 – 2018 Chairman of the Board of Directors  
TSFC Securities Public Company Limited
- 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

► **Shareholding** None, Spouse 982,316 shares (0.0163%)  
as of December 31, 2019

► **Position in conflict of interest to the company :** 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

► **History of potential conflict of interest with the Company  
in the past year :** None



**Mr. Wutthiphum Jurangkool**

**Age 40 Years / Thai**

Authorized Director

- **Appointment** April 23, 2013  
March 18, 2014 (1st re-election)  
April 24, 2017 (2nd re-election)

- **Resigned:** December 1, 2019

► **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 :** 4 Companies

- 2019 – Present Director and Chief Executive officer  
Nok Airlines Public Company Limited
- 2017 – Present Authorized Director  
Thai Steel Cable Public Company Limited
- 2015 – Present Director  
SE-EDUCATION Public Company Limited
- 2012 – Present Authorized Director  
AIRA Factoring Public Company Limited

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

**Company :** 15 Companies

- 2018 – Present Director  
NokScoot Airlines Company Limited
- 2018 – Present Authorized Director  
AIRA Venture Capital Company Limited
- 2015 – Present Member of Executive Committee  
AIRA and AIFUL Public Company Limited
- 2014 – Present Authorized Director  
AIRA and AIFUL Public Company Limited

- 2015 – Present Authorized Director  
Aspiration One Company Limited
- 2014 – Present Authorized Director  
Factory depot supply Co., Ltd.
- 2013 – Present Authorized Director  
Summit Keylex (Thailand) Company Limited
- 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.

► **Position in Other Organization/Institutions :** None

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

- 2013 – November, 2019 Authorized Director  
AIRA Capital Public Company Limited

► **Shareholding** 165,000,000 Shares (2.6129%)  
as of December 31, 2019

► **Position in conflict of interest to the company :** 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

► **History of potential conflict of interest with the Company in the past year :** None

## Executive Management



**Mrs. Naline Ngamsetthamas**

**Age 60 Years / Thai**

Authorized Director

Chairman of the Investment Committee and Chief Executive Officer

► **Appointment** April 22, 2010

April 30, 2015 (1<sup>st</sup> re-election)

April 30, 2018 (2<sup>nd</sup> re-election)

► **Education / Training**

- Ph.D. (Honorary Degree) in Finance, Sripatum University
- Certificate Master in Marketing Management, Thammasat University and University of Gothenburg
- Master of Business Administration (Finance Management), The National Institute of Development Administration (NIDA)
- Bachelor of Science, Srinakharinwirot University
- Advanced Master of Management Program (AMM Batch#1), The National Institute of Development Administration (NIDA)
- Thailand Insurance Leadership Program (OIC Batch#7), Office of Insurance Commission
- Thammasat World Leadership Program (TWLP Batch# 1), Thammasat University Alumni Association
- Leadership Succession Program (LSP Batch#4) Institute of Research and Development for Public Enterprises (IRDP)
- Thammasat Leadership Program (TLP Batch# 3), Thammasat University Alumni Association
- Advanced Security Management Program (ASMP Batch# 3), Thailand National Defense College
- Capital Market Academy Leadership Program (CMA Batch#8), The Capital Market Academy, The Stock Exchange of Thailand (SET)

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

- Director Forum 2017 “The Board’s role in CEO Succession Planning
- CAC Conference 2017 “Bright Spots: Lighting the way to a corruption free society”
- 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 : 3 Companies**

2017 – Present Authorized Director, Nok Airline Public Company Limited

2011 – Present Authorized Director, Member of the Executive Committee and Member 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 : 9 Companies**

2018 – Present Authorized Director, AIRA Venture Capital Limited

2017 – Present Authorized Director, AIRA Asset Management Limited

2016 – Present Authorized Director, Travelex (Thailand) Limited

2016 – Present Authorized Director, Chairman of the Board of Directors, 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 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)**

2017-2019 Member of the Executive Committee, Nok Airline Public Company Limited

2014-2019 Chairman of Executive Committee, AIRA & AIFUL Public Company Limited

2017-2019 Authorized Director and Chairman of the Board of Directors, Nok Scoot Airline Company Limited

2017-2018 Director, Nok Mangkang Company Limited

2012-2016 Authorized Director and Chairman of the Board of Directors, AIRA Advisory Company Limited

2007-2016 Member of the Executive Committee, AIRA Securities Public Company Limited

► **Shareholding** 331,698,230 shares (5.2526%) as of December 31, 2019

► **Position in conflict of interest to the company : 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**

► **History of potential conflict of interest with the Company in the past year : None**



**Mr. Suttiporn Tanthikul**

**Age 57 Years / Thai**

Managing Director

Member of Risk Management Committee

► **Appointment** July 1, 2013

► **Education / Training**

- Bachelor of Economic (1st Class Honors) The University of the Thai Chamber of Commerce
- Master of Economics program National Institute of Development Administration (NIDA)
- Leadership Succession Program (Batch#5) Institute of Research and Development for Public Enterprises (IRDP)
- Thammasart Leadership Program (Batch#4) Thammasat University
- Risk Management Program (Batch#2) Chulalongkorn University

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

- Directors Certification Program (DCP) class 215/2016
- Risk Management Committee Program (RMP) class 4/2014

► **Board member/Management in Listed Company – The Stock Exchange of Thailand : 3 Companies**

- |                          |  |
|--------------------------|--|
| 13 August 2019 – Present | Member of Executive Committee, AIRA Factoring Public Company Limited                           |
| 2018 – Present           | Member of Credit Committee, AIRA Factoring Public Company Limited                              |
| 2013 – Present           | Managing Director and Member of Risk Management Committee, AIRA Capital Public Company Limited |

► **Board member/Management in Non - Listed Company : 5 Companies**

- |                |   |
|----------------|---|
| 2016 – Present | Authorized Director, AIRA Asset Management Limited  |
| 2016 – Present | Authorized Director, AIRA Venture Capital Company Limited                                   |
| 2016 – Present | Authorized Director and Member of Executive Committee, AIRA Leasing Public Company Limited  |
| 2016 – Present | Authorized Director, AIRA and AIFUL Public Company Limited                                  |
| 2015 – Present | Authorized Director and Member of Executive committee, AIRA Property Public 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 |
| 1989 – 2006 | Assistant Vice President, Commercial Banking UOB Bank Public Company Limited    |

► **Shareholding** None (as of December 31, 2019)

► **Position in conflict of interest to the company : 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**

► **History of potential conflict of interest with the Company in the past year : None**



**Ms. Netsine Naksuk**

**Age 58 Years / Thai**

Company Secretary

First Executive Vice President

► **Appointment** September 24, 2010

► **Education / Training**

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

► **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 : 1 Company**

2010 – Present      Company Secretary and First Executive Vice President  
AIRA Capital Public Company Limited

► **Board member/Management in Non - Listed Company : None**

► **Position in Other Organization/Institutions : None**

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

2007 – 2010      Company Secretary  
AIRA Securities Public Company Limited.

► **Shareholding** 28 shares (0.0000%)  
as of December 31, 2019

► **Position in conflict of interest to the company : 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**

► **History of potential conflict of interest with the Company in the past year : None**



**Mr. Sampan Chanaburanasak**

**Age 42 Years / Thai**

First Executive Vice President, Investment Department

► **Appointment** June 30, 2015

► **Education / Training**

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

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

► **Board member/Management in Listed Company – The Stock Exchange of Thailand :** 1 Company

2015 – Present First Executive Vice President, Investment Department  
AIRA Capital Public Company Limited

► **Board member/Management in Non - Listed Company :** 4 Companies

2019 – Present Authorized Director and Executive Committee Member  
AIRA Leasing Public Company Limited

2019 – Present Member of Executive Committee  
AIRA & AIFUL Public Company Limited

2016 – Present Authorized Director  
AIRA Asset Management Limited

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 Researcher, The Consulting Engineers Association Thailand (C.E.A.T)

► **Shareholding** None (as of December 31, 2019)

► **Position in conflict of interest to the company :** 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

► **History of potential conflict of interest with the Company in the past year :** None



**Mr. A-NU DAWRAT**

**Age 56 Years / Thai**

Executive Vice President, Human Resource and Administration

► **Appointment** June 1, 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 :** 1 Company

2017 – Present Executive Vice President, Human Resources and Administration  
AIRA Capital Public Company Limited

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

► **Shareholding** 806,536 shares (0.0128%)  
as of December 31, 2019

► **Position in conflict of interest to the company :** 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

► **History of potential conflict of interest with the Company in the past year :** None



**Ms. Piyanan Visartavakin**

**Age 42 Years / Thai**

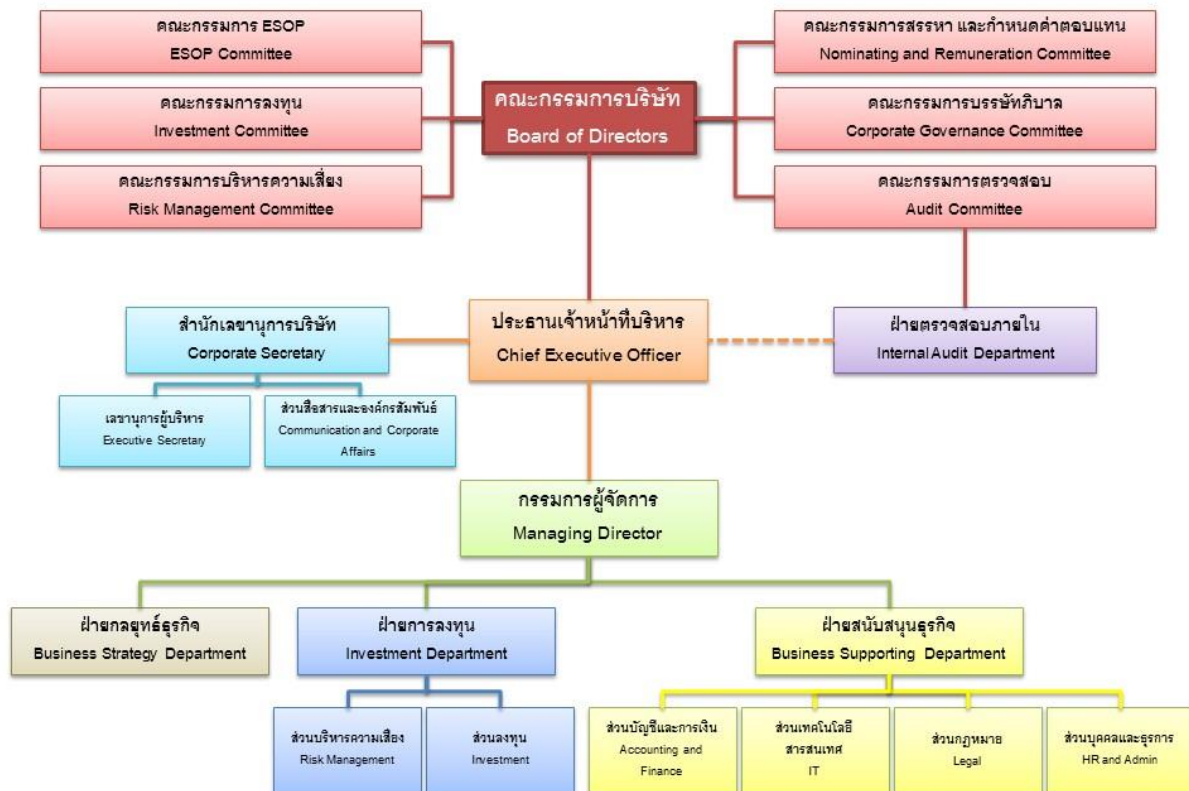
First Executive Vice President

- ▶ **Appointment**    October 15, 2019
- ▶ **Education / Training**
  - MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
  - Bachelor of Accounting, Chulalongkorn University
- ▶ **Director Training from Thai Institute of Directors Association (IOD) :** None
- ▶ **Board member/Management in Listed Company – The Stock Exchange of Thailand :** 1 Company
  - 15 October 2019 – Present      First Executive Vice President  
AIRA Capital Public Company Limited
- ▶ **Board member/Management in Non - Listed Company :** None
- ▶ **Position in Other Organization/Institutions :** None
- ▶ **Work Experience (5 Years Past Experiences)**
  - 2015 – 11 October 2019    Finance Manager  
CUEL Limited
- ▶ **Shareholding**    None (as of December 31, 2019)
- ▶ **Position in conflict of interest to the company :** 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
- ▶ **History of potential conflict of interest with the Company in the past year :** None



## ORGANIZATION CHART

Organization Chart as of 31 December 2019



## MANAGEMENT STRUCTURE

### 1. Board of Directors of the Company

As of 31 December 2019, the Board of Directors of the comprises of 11 persons as follows:

	Directors	Position	Appointed Date
1	Mr. Nopporn Picha <sup>(1)</sup>	Acting of Chairman / Chairman of Audit Committee / Independent Director	26 April 2019
2	Mrs. Chiraporn Chamnasiri	Member of Audit Committee / Independent Director	24 April 2017
3	Associate professor Anchalee Pipatnasern	Member of Audit Committee / Independent Director	30 April 2018
4	Associate Professor Niputh Jitprasonk	Member of Audit Committee / Independent Director	24 April 2017
5	Mr. Prinya Waiwatana	Independent Director	24 April 2017
6	Mr. Anant Sirisaengtaksin	Independent Director	30 April 2018
7	Mrs. Kongkeaw Piamduaytham	Independent Director	30 April 2018
8	M.R. Kasemvisuth Visuthi	Authorized Director	26 April 2019
9	Mr. Wisoot Karnchanapunyapong	Authorized Director	26 April 2019
10	Mr. Wutthiphum Jurangkool	Authorized Director	30 April 2018
11	Mr. Sermsakul Klaikeaw <sup>(3)</sup>	Independent Director	11 December 2019

#### Remark

- (1) Mr. Pakorn Malakul na Ayudhya resigned from the position of Director and Chairman, which was effective on 1 October 2019. The Meeting of Board of Directors No. 4/2019 on 14 August 2019 had appointed Mr. Nopporn Picha as the Acting of Chairman, which was effective from 1 October 2019.
- (2) Mr. Wutthiphum Jurangkool resigned from the position of Director, which was effective on 1 December 2019. The Meeting of Board of Directors No. 6/2019 on 11 December 2019 had appointed Mr. Sermsakul Klaikeaw as the Independent Director for Mr. Pakorn Malakul na Ayudhya, which was effective from 11 December 2019.
- (3) The Company is under a process of recruiting 1 Director to replace Mr. Wutthiphum Jurangkool, who had resigned.

Resigned Directors during 2019 were as followed:

Directors	Position	Period
1. Mr. Pakorn Malakul na Ayudhya	Independent Directors / Chairman	22 February 2016 – 30 September 2019
2. Mr. Wutthiphum Jurangkool	Director	23 April 2013 – 30 November 2019

Appointed Directors during 2019 were as followed:

Directors	Position	Period
1. Mr. Sermsakul Klaikaew	Independent Director	11 December 2019 – Present

#### Authorized Signatory Director of the Company

The Authorized Signatory Director of the Company according to the Company's requirements and the Certificate of Juristic Person Registration, Department of Business Development, Ministry of Commerce on 12 December 2019 was "Mrs. Naline Ngamsetthamas, Mr. Wisoot Karnchanapunyapong, Mrs Kongkeaw Piamduaytham, and M.R. Kasemvisuth Visuthi. Two in four Directors had signed and affixed the Company Seal."

#### Composition of Directors

The Company's requirements and the good corporate governance policy of the Company had determined for the Directors to contain the Directors of no less than 5 persons, but not exceeding 12 persons with the term of the position for not exceeding 3 years per term. The Independent Director must not be less than half of all number of directors, but must not be less than 3 persons. No less than half of all number of Directors must reside in the Kingdom with qualifications and no prohibited characteristics as determined by laws.

The compositions and the qualifications of the Directors must be in accordance with the Company's Requirements, the good corporate governance policy, and the laws with no sex discrimination policy, including having variety of knowledge, expertise, and experiences that are beneficial to the business operation of the Company. Moreover, the Directors must hold a position of Director in not exceeding 5 listed companies. Currently, there are 11 directors, which is the proper number for the business size and the business type as follow:

- 1) Non-Executive Director for 10 persons
- 2) Executive Director for 1 person, which is Chief Executive Officer
- 3) Independent Director for 7 persons, which is no less than 1 in 3 of all Directors in which it is a proportion that is stricter than the requirements of SEC Office.
- 4) Female Director for 4 persons

- 5) The Chairman is the Independent Director by which the Chairman of Board of Directors and the Chief Executive Officer must not be the same person. The Company has divided the responsibilities between the Chairman of Board of Directors and the Chief Executive Officer clearly.
- 6) Audit Committee and Independent Director must have the qualifications that are consistent and in accordance to the definition of Independent Director of the Stock Exchange and 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) 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 are 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.

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

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.

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.

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.

6) The Company determines for the Chairman to become the Independent Director. The Chairman and the Chief Executive Officer must be appointed by the Board of Directors and must not be the same person.

7) 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. (Details in the topic of Company Secretary)

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

The Board of Directors is the representative of all shareholders with the responsibilities to supervise the business operation of the Company to be in accordance with the laws, requirements, and resolutions of the Shareholders' Meeting. The main duty of the Board of Directors is to manage the business for the highest benefits of the shareholders (Fiduciary Duty) by adhering to 4 significant practices, which are:

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.

The Board of Directors assigns the duty of daily work management and the business operation of the Company to the Management Department via the Chief Executive Officer under the scope of authority that the Board of Directors has assigned and approved. The responsibilities of the Board of Directors are as followed:

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
9. Attending 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.
10. 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.

#### **Division of Roles and Duties of the Chairman and Chief Executive Officer**

Corporate Governance Policy to determine the powers and duties of the Chairman and Chief Executive Officer is clearly and separate the policy and management roles apart. The Chairman of the Board is also an independent director. The Chairman and Chief Executive Officer must be appointed by the Board of Directors and not the same person.

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

The clear division of authorities is to ensure that there is a balance of authorities and duties in the high level of the Company. Mr. Pakorn Malakul na Ayudhya and Mr. Nopporn Picha, the Chairman during 2019 have the duties and the responsibilities as the leader of the Board of Directors and to ensure that the Board of Directors has performed its duties with efficiency to achieve the duties and the responsibilities of the Board of Directors. Meanwhile, Mrs. Naline Ngamsetthamas, Chief Executive Officer, has the duties and the responsibilities to manage the daily work management and the business operation of the Company according to the strategies and the long-term objectives that are approved by the Board of Directors.

### **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 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, associate, 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, associate, 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, associate, 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.

Moreover, the Audit Committee with the accounting and finance knowledge and the knowledge and experiences in the financial audit of the Company consist of Associate Professor Anchalee Pipatanasern, graduated from Master of Accountancy from Thammasat University and Mrs. Chiraporn Chamnasiri, , graduated from Bachelor of Accountancy from Chulalongkorn University. Both Directors had received the training from Thai Institute of Directors (IOD). The details of the training can be seen from a background of the Directors

As at 31 December 2019, The Company has 7 Independent Directors with the following namely:

- |    |  |  |
|----|--|--|
| 1. | Mr. Nopporn Picha                        | Independent Director and Acting of Chairman and Chairman of Audit Committee          |
| 2. | Mrs. Chiraporn Chamnasiri                | Independent Director and Member of Audit Committee                                   |
| 3. | Associate professor Anchalee Pipatnasern | Independent Director and Member of Audit Committee                                   |
| 4. | Associate Professor Niputh Jitprasonk    | Independent Director and Chairman of Member of Nomination and remuneration Committee |
| 5. | Mr. Prinya Waiwatana                     | Independent Director and Chairman of Risk Management Committee                       |
| 6. | Mr. Anant Sirisaengtaksin                | Independent Director   |
| 7. | Mr. Sermakul Klaikaew                    | Independent Director   |

## 2. Sub-committees

As at 31 December 2019, Sub-committee consists of 5 committees, the detail as follow:

### 2.1 Audit Committee

In 2019, the Audit Committee had 4 meetings. The Audit Committee consists of 3 Independent Directors with the following name list:

Name List	Position
1. Mr. Nopporn Picha	Chairman of Audit Committee
2. Mrs. Chiraporn Chamnasiri,	Audit Committee
3. Asst. Prof. Anchalee Pipatnasem	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. Review, control, and follow-up on the business operation to be in accordance with the anti-corruption policy and the practices of internal control that are in accordance with the anti-corruption policy of the Company.
7. Review, control and monitor the company's operations To be in accordance with the anti-corruption policy and guidelines for internal control principles that are in line with the company's anti-corruption policy.

8. Support the independency of the internal audit agency by assigning, considering, and providing opinions to strengthen the potentiality in the operation of the internal audit agency and the career advancement of the auditor.
9. Perform any works as assigned by the Board of Directors within the scope of duties and responsibilities of the Audit Committee.
10. 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.
11. Discuss and examine the facts independently when getting wind of wrongdoing or corruption via the channel for notification and proceed with the consideration fairly.
12. Proceed according to Section 89/25 of the Securities and Exchange Act when the auditor has reported the suspicious behaviors of corruption or breach of laws that are relevant with the duties of member and the Executive by discussing, examining the facts, and reporting the result to the Securities and Exchange Commission Office and the auditor within 30 days after being notified.
13. Review and adjust the appropriateness of the Charter of Audit Committee every year or when there is a change of regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission Office (SEC), and relevant agencies. Then, present to the Board of Directors for approval.

## 2.2 Nomination and Remuneration Committee

In 2019, the Nomination and Remuneration Committee had 2 meetings. The Nomination and Remuneration Committee consists of 3 members in the following name list:

Name List	Position
1. Asst. Prof. Niputh Jitprasonk	Chairman of Nomination and Remuneration Committee
2. M.R. Kasemvisuth Visuthi	Nomination and Remuneration Committee
3. Mr. Prinya Waiwatana	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.

## 2.3 Risk Management Committee

In 2019, the Risk Management Committee had 4 meetings. The Risk Management Committee consists of 4 members in the following name list:

Name List	Position
1. Mr. Prinya Waiwatana	Chairman of Risk Management Committee
2. Asst. Prof. Niputh Jitprasonk	Risk Management Committee
3. Mr. Anant Sirisaengtaksin	Risk Management Committee
4. Mr. Suttiporn Tanthikul	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

## 2.4 Corporate Governance Committee

In 2019, the Corporate Governance Committee had 3 meetings. The Corporate Governance Committee consists of 3 members in the following name list:

Name List	Position
1. Mrs. Kongkeaw Piamduaytham	Chairman of Corporate Governance Committee
2. Mrs. Chiraporn Chamnasiri	Corporate Governance Policy
3. Mr. Wisoot Kanchanapanyaphong	Corporate Governance Policy

### 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) Supervise for the practice of the Company to be in accordance with the good corporate governance agency as determined by the supervisory agency;
- 4) 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;
- 5) Review the corporate governance policy of the Company every year;
- 6) Review the Code of Conduct of the Company every year;
- 7) 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;
- 8) 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;
- 9) 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

10) Consider reviewing and revising the appropriateness of the Charter of Corporate Governance Committee every year or when there is a change in the regulations or the rules of the Stock Exchange of Thailand, the Securities and Exchange Commission Office (SEC), and relevant agencies. Then, present to the Board of Directors for approval.

## 2.5 Investment Committee

In 2019, the Investment Committee had 4 meetings. The Investment Committee consists of 4 members in the following name list:

Name List	Position
1. Mrs. Naline Ngamsetthamas	Chairman of Investment Committee
2. Mr. Wisoot Kanchanapanyaphong	Investment Committee
3. Mr. Prinya Waiwatana	Investment Committee
4. Mr. Phairot Loengthalerngphong	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.



## ATTENDANCE AT THE MEETING OF THE BOARD OF DIRECTOR

The Meeting of Independent Director, the Non-Executive Director, and the Sub-Committee are shown as follow:

Directors	AGM for the year 2019	Board of Directors	Independent Directors	Directors Non-Executive	Audit Committee	Nomination And Remuneration Committee	Risk Management Committee	Corporate Governance Committee	Investment Committee
	Total 1	Total 6	Total 1	Total 1	Total 4	Total 2	Total 4	Total 3	Total 4
1. Mr. Nopporn Picha	1/1	6/6	1/1	1/1	4/4	-	-	-	-
2. Mrs. Chiraporn Chamnasiri	1/1	6/6	1/1	1/1	4/4	-	-	3/3	-
3. Associate professor Anchalee Pipatnasern	1/1	6/6	1/1	1/1	4/4	-	-	-	-
4. Associate Professor Niputh Jitprasonk	1/1	6/6	1/1	1/1	-	2/2	4/4	-	-
5. Mr. Prinya Waiwatana	1/1	6/6	-	1/1	-	2/2	4/4	-	4/4
6. Mr. Anant Sirisaengtaksin	1/1	6/6	1/1	1/1	-	-	4/4	-	-
7. Mrs. Kongkeaw Piamduaytham	1/1	5/6	1/1	1/1	-	-	-	2/3	-
8. M.R. Kasemvisuth Visuthi	1/1	6/6	-	1/1	-	1/2	-	-	-
9. Mr. Wisoot Karnchanapunyapong	1/1	6/6	-	1/1	-	-	-	3/3	4/4
10. Mrs. Naline Ngamsetthamas	1/1	6/6	-	-	-	-	-	-	4/4
11. Mr. Sermsakul Klaikaew	-	1/1	1/1	1/1	-	-	-	-	-
<b>Resigned Committee During 2019</b>									
Mr. Pakorn Malakul na Ayudhya	1/1	4/4	-	-	-	-	-	-	-
Mr. Wutthiphum Jurangkool	1/1	2/5	-	-	-	-	-	-	-

### 3. Executives

Name List of Company's Executive as of 31 December 2019

	Executives	Position
1	Mrs. Naline Ngamsetthamas	Director / Chief Executive Officer
2	Mr. Suttiporn Tanthikul	Managing Director
3	Ms. Netsine Naksuk	First Executive Vice President / Company Secretary
5	Mr. Sampan Chanaburanasak	First Executive Vice President
6	Ms. Piyanan Visartavakin	First Executive Vice President
7	Mr. Anu Dawrat	Executive Vice President

Remark: Executives No. 1 - 7 are executives in accordance with the definition of the SEC announcement

#### 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. conduct other work as assigned by the Company's Board of Directors.

#### Rules for Recruitment of Top Executive

The Nomination and Remuneration Committee will select a person to take a position of Chief Executive Officer and Managing Director. The Chief Executive Officer and Managing Director must receive an approval from the Board of Directors. The Chief Executive Officer and Managing Director are assigned to select and appoint a person with knowledge, abilities, and experiences in the business of the Company to become an employee in many levels. The appointment of the Head or the person in charge of audit and internal control must receive an approval from the Audit Committee first.

#### 4. Company secretary

The Board of Directors passed a resolution No. 1/2554 on 21 September 2011 to appoint Miss Netsine 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.

## 5. The Company's Staff

As of 31 December 2019, the Company has 34 employees. In 2019, the Company paid the employees compensation which included salary, overtime payment, bonus and providend fund, the details as follows;

Items	Amount (MTHB)
salary, overtime payment, bonus	40.74
providend fund	1.58

### Human Resources Development Policy

The Company is committed to improving competency of its employees at all levels, believing that with confidence that the growth of the organization depends on qualified personnel competence and expertise. Therefore, the company has a policy to improve the human resource management and development to modern adaptation, consistent with technology and in accordance to business standards to strengthen employees' potential to support and respond to Company expectations of the organization in operating business (High Performance Organization). This includes taking into account of participation in corporate social responsibility activities (CSR) which can be classified into the following specific policies

- Human Resource Development: The Company has emphasized in ensuring that its employee has all necessary knowledge and skills in performing duties in order to achieve business objective for the Company. In addition to support business expansion in the future, the Company has provided both internal and external training to the employees.

As at 31 December 2019, the Company has a total of 34 employees, has enrolled for training in general knowledge and investment in a total of 58 courses during the year or an average training hour of 18 hours per person per year.

In addition, the Company strives to develop its employee to be adherence in morals, ethics, along with being skilled workforces. To apply good knowledge and experience, strengthen and support sustainable growth of the Company.

- Performance Management: The Company has arranged performance management by planned an annual budget, set out performance goals and key performance indicators as well as having a performance evaluation approach in both departmental level and personnel level to ensure that operation improvement has been conducted to achieve designated objectives.

Furthermore, this performance management has applied the integrated approach between using principles of objectives setting and key performance indicators, quantitative and quality performance

evaluation, consideration of knowledge and skills, discipline, qualifications and behaviors expressed in work, including leadership potential and management capabilities.

- **Compensations and welfares:** The Company has set out specific employee recruitment criteria and regulations procedures that are transparent and justified. In order to obtain knowledgeable personnel suitable for the desired job position together with proper and reasonable compensation system, that creating motivation in terms of regular salary and bonus according to the performance. Including other various incentives for outstanding employee as an addition benefits aside from those enforced by the laws.

The Company adheres to the principle of determining compensation and benefits primarily based on considering employee capabilities and performance, position and expertise in accordance to Labor market compensation rate and the company financial status and operating performance. Other factors include business practice, current economic and social environment.

In the year 2018, the Company turnover rate was 18.5%.

#### **Rules for Succession Plan for Top Executive**

The Company has seen the necessity of succession plan for Top Executive. Therefore, it has determined the policy and the rules for succession plan for Chief Executive Officer, including Top Executive of the Company and its affiliate as follow:

- In case a position of Chief Executive or Top Executive is vacant or unable to perform the duties, the Company will select the Top Executive in the secondary place within the Company or its affiliate with proper qualifications to perform the duties continuously. In case the recruitment cannot be done within the Company or its affiliate, the Company might recruit from the third party as another alternative.
- For the succession plan for Top Executive in the secondary place, the Company has made the supportive plan by allowing the Executive in Assistant Managing Director level to perform the duties as see appropriate. There is also the training for personnel development and the job rotation to prepare the readiness as well as the recruitment from its affiliates and the third party in case there is no inside personnel that can support in order to maintain the confidentiality in the investor, organization, and employee that the operation of the Company can be continued immediately.

## 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 Directors Remuneration payment

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 2019, the Annual General Meeting of Shareholders for the year 2019 on 26 April 2019 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> Chairman Other Directors	Baht 25,000 / Meeting Baht 17,000 / Meeting	<u>Remark:</u> (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 Nomination and Remuneration Committee, the Risk Management Committee, the Corporate Governance Committee and the Investment Committee
<u>Audit Committee</u> Chairman Other Audit Committee	Baht 18,000/ Meeting Baht 10,000 / Meeting	
<u>Sub Committee*</u> Chairman of Sub Committee Other Directors	Baht 15,000 / Meeting Baht 8,000 / Meeting	

In 2019, the Board of Directors received the meeting allowances totaling Baht 1,693,000 the details as following;

Board of Directors and Subcommittees	Number of Meetings (time)	Meeting allowance (Baht)
1. Board of Directors	6	1,119,000
2. Audit Committee	4	192,000
3. Nomination and Remuneration Committee	2	54,000
4. Risk Management Committee	4	140,000
5. Corporate Governance Committee	3	78,000
6. Investment Committee	4	110,000

#### Summary of Individual Remuneration for Directors of AIRA Capital Public Company Limited in 2019

Unit: Baht

No.	Name List	Meeting Allowance	Director Pension	Non- Monetary Remuneration	Total
<u>Directors</u>					
1	Mr. Nopporn Picha	190,000	150,000	None	340,000
2	Mrs. Chiraporn Chamnasiri	166,000	120,000	None	286,000
3	Mrs. Anchalee Pipatnasern	142,000	120,000	None	262,000
4	M.R. Kasemvisuthi Visuthi	110,000	120,000	None	230,000
5	Mrs. Kongkeaw Piamduaytham	115,000	120,000	None	235,000
6	Mr. Wisoot Karnchanapunyapong	158,000	120,000	None	278,000
7	Mrs. Nalineee Ngamsetthamas	81,500	120,000	None	201,500
8	Mr. Prinya Waiwattana	210,000	120,000	None	330,000
9	Mr. Niputh Jitprasonk	164,000	120,000	None	284,000
10	Mr. Anant Sirisaengtaksin	134,000	120,000	None	254,000
<u>Resigned Directors During 2019</u>					
11	Mr. Pakorn Malakul na Ayudhya*	100,000	200,000	None	300,000
12	Mr. Wutthiphum Jurangkool**	34,000	120,000	None	154,000
<u>Inaugural Committee During 2019</u>					
13	Mr. Sermsakul Klaikaew***	17,000	-	None	17,000

Unit: Baht

No.	Name List	Meeting Allowance	Director Pension	Non-Monetary Remuneration	Total
<u>Consultant of Audit Committee</u>					
14	Ms. Warawan Watthanathesananun	40,000	50,000	None	90,000
<u>Directors from subsidiaries</u>					
15	Mr. Pairoj Laungthaleongpong	16,000	-	None	16,000
<u>Executive Sub-Committee</u>					
16	Mr. Suttiporn Tanthikul	16,000	-	None	16,000
		<u>1,693,500</u>	<u>1,600,000</u>		<u>3,293,500</u>

#### Remark

- \* Mr. Pakorn Malakul na Ayudhya resigned from a position of Director on 1 October 2019.
- \*\* Mr. Wutthiphum Jurangkool resigned from a position of Director on 1 December 2019.
- \*\*\* Mr. Sermsakul Klaikaew was appointed by the Meeting of Board of Directors No. 6/2019 on 11 December 2019 to take a position of Director for Mr. Pakorn Malakul na Ayudhya who was resigned from the position of Director.

## SHARE HELD BY THE BOARD OF DIRECTORS AND EXECUTIVES

### Report of Shareholding of the Board of Directors <sup>(1)</sup> as of 31 December 2019

Name and Position	Ordinary Shares (Shares)			
	As of 31 December 2018	Changes during 2019		As of 31 December 2019
		Increase	Decrease	
1. Mr. Nopporn Picha Acting of Chairman and Chairman of Audit Committee	41	-	-	41
2. Mrs. Chiraporn Chamnasiri Member of Audit Committee	7,850,390	-	-	7,850,390
3. Associate professor Anchalee Pipatnasern Member of Audit Committee	1,539,268	-	139,400	1,399,868
4. Associate Professor Niputh Jitprasonk Independent Director	300,000	-	-	300,000
5. Mr. Prinya Waiwatana Independent Director	367,021	-	-	367,021
6. Mr. Anant Sirisaengtaksin Independent Director	-	-	-	-
7. Mrs. Kongkeaw Piamduaytham Authorized Director	17,851,906	-	-	17,851,906
8. M.R. Kasemvisuth Visuthi Authorized Director	866,496	-	-	866,496
9. Mr. Wisoot Karnchanapunyapong Authorized Director	696,607	-	-	696,607
10. Mrs. Naline Ngamsetthamas Chief Executive Officer and Authorized Director	331,698,230	-	-	331,698,230
11. Mr. Sermsakul Klaikaew <sup>(2)</sup> Independent Directors	-	-	-	-

**Remark:**

- (1) The information of shareholding of the Executives includes the shareholding of spouse and the underage child.
- (2) The director who appoint during 2019

#### Report of Shareholding of the Resigned Board of Directors During 2019

Name and Position	Ordinary Shares (Shares)			
	As of 31 December 2018	Changes during 2019		As of 31 December 2019
		Increase	Decrease	
1. Mr. Pakorn Malakul na Ayudhya Chairman	982,316	-	-	982,316
2. Mr. Wutthiphum Jurangkool Authorized Director	165,000,000	-	-	165,000,000

#### Report of Shareholding of the Executives as of 31 December 2019

Name and Position	Ordinary Shares (Shares)			
	As of 31 December 2018	Changes during 2019		As of 31 December 2019
		Increase	Decrease	
1. Mrs. Nalinee Ngamsetthamas Chief Executive Officer and Authorized Director	331,698,230	-	-	331,698,230
2. Mr. Suttiorn Tanthikul Managing Director	-	-	-	-
3. Mrs. Netsine Naksuk First Executive Vice President and Company Secretary	28	-	-	28
4. Mr. Sampan Chanaburanasak First Executive Vice President, Investment Department	-	-	-	-
6. Ms. Piyanan Visartavakin First Executive Vice President	-	-	-	-
7. Mr. Anu Dawrat Executive Vice President, Human Resource and Administration	806,536	-	-	806,536

**Remark:** The information of shareholding of the Executives includes the shareholding of spouse and the underage child.

#### Change of Executive from 1 January 2019 - 30 December 2019:

- 1) Ms. Piyanan Wisatwekhin has been an employee of the Company since 15 October 2019.

## CORPORATE GOVERNANCE

### Corporate Governance Policy and Code of Business Conduct

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.

The Meeting of Board of Directors No. 5/2019 on 13 November 2019 had approved of the Corporate Governance Policy (Revised Edition 2020) and Code of Business Conduct (Revised Edition 2020) which was effective on 1 January 2020 and was published on [www.airacapital.co.th](http://www.airacapital.co.th) in the topic "Corporate Governance" for shareholders, investors, and interested persons to gain access into the information easily.

#### 1. Compliance with International Standards of Good Corporate Governance.

The Board of Directors has always attached importance to the Company's conformity to international standards of corporate governance, including the regulations of the Stock Exchange of Thailand. In 2019 the Company has complied with the following five aspects of good corporate governance:

### Chapter 1: Shareholder Rights

The Board of Directors had placed an importance on the basic rights of shareholders as the asset investors and the company owners, such as the right to receive profit sharing and dividend fairly and the right to obtain the Company's information adequately, especially the shareholders' right in the Shareholders' Meeting by which the Company had practiced as followed:

The 2019 Annual General Meeting of Shareholders. The Company held the 2019 Annual General Meeting of Shareholders (AGM) at 10 a.m. on 26 April 2019, at the Budsaba room, the Mandarin Hotel (Samyan) on the 1<sup>st</sup> floor, Rama 4 Road, Bang rak, Bangkok. Participating shareholders were afforded the following conveniences:

#### Prior to the Meeting

— We allowed minority shareholders, defined as any single shareholder or a group of shareholders holding at least 5% of all shares with eligible voting rights, to propose agenda items and to nominate qualified candidates to be elected as Directors from 1 October 2018 to 31 December 2018. The announcement was made via the Stock Exchange of Thailand's portal and on our website.

- Nominated candidates and proposed agenda items would be considered against established criteria.

The Company secretary would consider in the first step then propose to the Nomination and Remuneration Committee would consider whether the proposed candidates possessed desired qualifications. Meanwhile, the Corporate Governance Committee would review and select proposed agenda items, then submitted them to the Board of Directors for its final approval. The Board would inform the shareholders of its decision regarding the inclusion or exclusion of these proposed agenda items and its reasons at the meeting. However, shareholders did not propose any agenda items or made any directorial nominations for the 2019 AGM.

- We instantly notified the Stock Exchange of Thailand after the Board of Directors met on 27 February, 2019, that the 2019 Annual General Meeting of Shareholders would be held on 26 April 2019, effectively disseminating the news to our shareholders. We also informed them of the record date on 14 March 2019, to promote shareholders' rights to attend the AGM and to receive their dividend payment. This information was also made available on our company website.

- We published the invitation to the AGM on our website for more than 30 days prior to the meeting date. Enclosed with the invitation were meeting agenda with the Board's discussion on each agenda item and meeting documents. All of this was made available in both Thai and English.

- In the event that a shareholder would like to assign a proxy to attend and vote at the AGM on their behalf or that they would be unable to attend the AGM personally, we provided them with a proxy statement that allowed them to specify their "for", "against" or "abstain" vote for each agenda item. We also included our Independent Directors' names and biography for them to consider as their proxy. Details of the proxy assignment process and documents required to facilitate the procedure were enclosed with the meeting invitation. All of this was available in both Thai and English.

- The invitation was mailed to shareholders 21 days prior to the meeting. A map of the meeting location and a telephone number for inquiries were also included.

#### On the Day of the Meeting

- We held the 2019 Annual General Meeting of Shareholders (AGM) in a large conference hall that could accommodate a sizeable number of shareholders. We allocated a specific time slot for shareholders to ask questions and express their thoughts, ensuring smooth and efficient meeting organization. We also arranged an exhibition, with presenters, in front of the conference hall to educate meeting participants about the various aspects of our business and performance.

- We used barcode scanning in our registration process for convenience and efficiency. We also provided staff to verify shareholders' documents ahead of time. Registration began more than two hours before the meeting started.

— All 12 Directors attended the 2019 AGM. high-ranking executive officers, auditors, legal advisors, shareholder rights protection volunteer, lawyers and a shareholder who volunteered as vote counting witnesses were also present.

— Before the meeting commenced, shareholders were explicitly informed of the voting and vote counting procedure for each agenda item. Voting cards were provided for each agenda item. Shareholders and proxies could vote “Approve”, “Disapprove” or “Abstain”.

— The Chairman proceeded with all the agenda items in order and afforded all shareholders equal rights to express their opinions. Sub-Committee chairpersons, the President and Chief Executive Officer and related high-ranking Executive Officers were tasked with answering shareholders’ questions. All opinions expressed and questions asked were fully recorded in the minutes of the AGM meetings.

#### After the Day of the Meeting

— We disclosed the resolutions passed at the 2019 Annual General Meeting of Shareholders (AGM) through the Stock Exchange of Thailand’s portal once the meeting had ended. The disclosed resolutions included a complete set of the “for”, “against” and “abstain” votes of each agenda item. We also prepared the minutes of the AGM meeting, specifying the names of Directors and Executives in attendance, as well as other relevant attendees, important explanations, a list of questions and answers and a summary of opinions expressed. The minutes were prepared in both Thai and English and submitted to the Stock Exchange of Thailand and other related agencies within 14 days after the meeting. They were also made available on our company website, [www.airacapital.co.th](http://www.airacapital.co.th) , for shareholders to access.

## **Chapter 2 : Equitable Treatment of Shareholders**

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 26 April 2019 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 2019, 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 2019.

Hence, no shareholder had proposed the meeting agenda or nominated a name of an individual for Director Election to the Company.

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 2019, 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 2019, 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 all stakeholder's interest 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 have 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 2019, 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 2019, the Company organized "The Sustainable Development", a CSR activity that the company has been running for the fifth consecutive year, is intended to be a part of supporting and developing the education of children and youth. The event was held on 20 September 2019 at Wat Palaharn School, Klong Luang, Pathumthani province, the management and employees of the company has participated in the event.

4. Determine the policies and the practices regarding the personnel development of the Company clearly and concretely. In 2019, the Company had sent the personnel to attend the training and the seminar in the total of 58 courses or the average of 18 hours per person per year. Moreover, the Company had life and asset security system to the Company. For example: There is a fire drill for once a year.

In 2019, the Company had no accidents or strikes, or illness from working.

#### Chapter 4: Information disclosure and transparency

The Board of Directors acknowledged the significance of the accurate, complete and transparent disclosure of information, report on financial information and general information in accordance with rules of the SEC Office and Stock Exchange of Thailand as well as another crucial information, which would have an impact on a decision making process of investors and interested persons. In 2019, 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

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 2019, the Board of Directors took parts in considering and approving the following matters:

- 1) 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 associated companies;
- 2) Approve the financial projection of the Company and subsidiaries;
- 3) 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;
- 4) Approved the agenda of the Annual General Meeting of Shareholders and approved the Annual General Meeting of Shareholders for the year 2019;
- 5) 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 2019;
  - 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.
- 6) Consider and approve the self-assessment form with reference documents. To submit a request for certification to join the Private Sector Collective Action Coalition Against Corruption Program (CAC)
- 7) Consider appointing sub-committees;
- 8) Consider the appointment of directors to be representative directors in subsidiaries;
- 9) Consider and approve the increase of the registered capital of a subsidiary 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 2019 performance evaluation form of directors and sub-committees, including the performance evaluation form of the Chief Executive Officer (CEO)

## 2. Board of Directors' Meeting

The management structure of AIRA Capital Public Company Limited consists of the Board of Directors. Divided into sub-committees to consider 5 specific tasks, to help screen important tasks, including the Audit Committee, Corporate Governance Committee, Risk Management Committee, the Nomination and Remuneration Committee and the Investment Committee

The Company has officially scheduled the meeting of the Board of Directors in advance. In 2019, the total meeting schedule was 6 times. Details of attendances of the directors in Annual General Meeting of Shareholders, Board of Directors' meeting and meetings of the sub-committees

## 3. 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 2019, the Board of Directors scheduled the meeting of the non-executive directors on 11 December 2019 in which all of 10 the Company's non-executive directors attended the meeting.

## 4. 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 2019, the Board of Directors scheduled the meeting of the independent directors on 11 December 2019 in which all of 7 the Company's independent directors attended the meeting.

#### **5. 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.

#### **6. 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 2019, the Company had appointed 1 new director. The Company Secretary had prepared documents and arranged the meeting for the Chief Executive Officer to introduce the Company's information to the new director regarding the business type in order to create an understanding about the business operation and the guideline for corporate governance of the Company.

#### **7. 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 2019, 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.
- 5) The Audit Committee will have the self- evaluation in a specific format for evaluating the performance of duties by the entire Audit Committee.

The evaluation method for Evaluation Form 1 to Form 3 was the scoring in order for the Committee to compare the evaluation results in each topic or compare the evaluation results of each year. The 5-level of evaluation criteria were as followed:

- 0 = Strongly Disagree or No Implementation
- 1 = Disagree or Slight Implementation
- 2 = Undecided or Moderate Implementation
- 3 = Agree or Good Implementation
- 4 = Strongly Agree or Excellent Implementation

The evaluation result can be summarized as followed:

1) The evaluation form for Committee consisted of 6 topics, which are (1) Structures and Qualifications of Director; (2) Roles, Duties, and Responsibilities of Director; (3) Committee Meeting; (4) Functions of Director; (5) Relationship with Management Department; and (6) Self-Development of Director and Executive Development.

According to the overall summary of evaluation result for Committee for the operation in 2019 under 6 topics, it was found that most operations were arranged in the Excellent Level with the average score of 3.97 or 99.32 percent.

2) Evaluation Form for Individual Committee (Self-Evaluation) consisted of 6 topics, which were (1) Outstanding in the Knowledge and Abilities; (2) Independency; (3) Readiness in the Operation; (4) Attention to Duties and Responsibilities; (5) Duties of Committee; and (6) Vision for Long-Term Value-Added in the Business

According to the overall summary of evaluation result for Individual Committee (Self-Evaluation) for the operation in 2019 under 6 topics, it was found that most operations were arranged in the Excellent Level with the average score of 3.96 or 98.99 percent.

3) Evaluation Form for Sub-Committee (Whole Evaluation) consisted of 3 topics, which were (1) Appropriate and Effective Structures and Qualifications of Sub-Committee; (2) Effective Meeting of Sub-Committee; and (3) Significant Roles, Duties, and Responsibilities of Sub-Committee for Adequate Consideration, Revision, and Practice in Various Matters.

According to the summary of evaluation result for 4 Sub-Committee (Whole Evaluation) under 3 topics, it was found that the implementation was effectively done with the details as followed:

3.1	Nomination and Remuneration Committee	Score of 4.00 or 100.00 percent
3.2	Risk Management Committee	Score of 3.81 or 95.25 percent
3.3	Corporate Governance Committee	Score of 4.00 or 100.00 percent
3.4	Investment Committee	Score of 4.00 or 100.00 percent

#### 4) Performance Evaluation Form for Chief Executive Officer

The Meeting of Board of Directors No. 6/2019 on 13 November 2019 had approved of the Evaluation Form for Chief Executive Officer of 2019 to evaluate the performance of Top Executives of the Company, which were Chief Executive Officer (CEO) to determine the remuneration of the Chief Executive Officer by which the Nomination and the Remuneration Committee will evaluate and present the evaluation result to the Board of Directors for approval. The topics for evaluation consisted of 10 topics, which were (1) Leadership; (2) Strategy Determination; (3) Strategy Practice; (4) Financial Planning and Performance; (5) Relationship with Committee; (6) External Relationship; (7) Work Management and Relationship with Personnel; (8) Succession Plan; (9) Product and Service Knowledge; and (10) Personal Attribute. The 5-level evaluation criteria were as followed:

N/A	=	No Information or No Implementation
4	=	Excellent Implementation
3	=	Good Implementation
2	=	Moderate Implementation
1	=	Less Implementation

According to the overall summary result of performance evaluation of Chief Executive Officer for the operation in 2019 under 10 topics, it was found that the implementation was in Excellent Level with the average score of 3.91 or 97.75 percent.

5) Performance Evaluation Form for Audit Committee consisted of 5 topics, which were (1) Compositions of Audit Committee; (2) Term of Office; (3) Quorum and Meeting; (4) Scope of Authorities and Responsibilities; and (5) Self-Development of Audit Committee. The 5-level evaluation criteria were as followed:

5	=	Excellent Practice
4	=	Good Practice
3	=	Moderate Practice
2	=	Fair Practice
1	=	No Practice

According to the overall summary of performance result for Audit Committee in 2019 under 5 topics, it was found that most operations were arranged in the Excellent Level with the average score of 4.94 or 98.80 percent.

## 8. Report of Directors

The Board of Directors has the duties and the responsibilities to report the financial statement of the Company and its subsidiaries and the financial information

that is shown in the annual report. The Board of Directors had assigned the Audit Committee to consider the financial statement of the Company and its subsidiaries according to the general accounting standard of Thailand with the use of proper accounting policy and regular practice. The Board of Directors had given their opinion in the Committee Responsibility Report towards the financial statement with the report of Audit Committee and the Auditor's report.

## 9. 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.

The Committee and the Top Executive had placed an importance on attending the training and the seminar in the courses that were relevant with the development of knowledge and abilities to perform the duties as Director continuously by which the Director had the history of attending the seminar with the Institute of Directors (IOD). Moreover, the Company had arranged for the Committee to visit other agencies or other organizations in case of suitability "to create the benefits for the Company's business to grow with sustainability".

The Board of Directors have been trained in directorate courses of the courses of the Thai Institute of Directors Association (IOD), as detailed below.

Courses	Number of trained directors (persons)	List of Directors
Director Accreditation Program (DAP)	6	1. Mr. Nopporn Picha 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)	9	<ol style="list-style-type: none"> <li>1. Mr. Anant Sirisaengtaksin</li> <li>2. Mr. Nopporn Picha</li> <li>3. Mrs. Chiraporn Chemnasiri</li> <li>4. Associate Professor Anchalee Pipatanasern</li> <li>5. Mr. Prinya Waiwatana</li> <li>6. Associate Professor Niputh Jitprasonk</li> <li>7. Mrs. Kongkeaw Piamduaytham</li> <li>8. Mr. Wutthiphum Jurangkool</li> <li>9. Mr. Semsakul Klaikaew</li> </ol>
Audit Committee Program (ACP)	4	<ol style="list-style-type: none"> <li>1. Mrs. Chiraporn Chemnasiri</li> <li>2. Associate Professor Anchalee Pipatanasern</li> <li>3. Mr. Prinya Waiwatana</li> <li>4. Associate Professor Niputh Jitprasonk</li> </ol>
Advanced Audit Committee Program (AACP)	4	<ol style="list-style-type: none"> <li>1. Mr. Anant Sirisaengtaksin</li> <li>2. Mr. Nopporn Picha</li> <li>3. Mrs. Chiraporn Chemnasiri</li> <li>4. Mrs. Kongkeaw Piamduaytham</li> </ol>
Corporate Governance for Capital Market Intermediaries (CGI)	5	<ol style="list-style-type: none"> <li>1. Mr. Nopporn Picha</li> <li>2. Mrs. Chiraporn Chemnasiri</li> <li>3. Associate Professor Anchalee Pipatanasern</li> <li>4. Mr. Wisoot Karnchanapunyapong</li> <li>5. Mrs. Naline Ngamsetthamas</li> </ol>
Financial Institutions Governance Program (FGP)	1	<ol style="list-style-type: none"> <li>1. Mr. Pakorn Malakul na Ayudhya</li> </ol>
Financial Statements for Directors (FSD)	1	<ol style="list-style-type: none"> <li>1. Mr. Wutthiphum Jurangkool</li> </ol>
IOD Exclusive Event (M-IEE)	1	<ol style="list-style-type: none"> <li>1. Mrs. Naline Ngamsetthamas</li> </ol>
Monitoring the Internal Audit function (MIA)	2	<ol style="list-style-type: none"> <li>1. Associate Professor Anchalee Pipatanasern</li> <li>2. Associate Professor Niputh Jitprasonk</li> </ol>

Courses	Number of trained directors (persons)	List of Directors
Monitoring the System of Internal Control and Risk Management (MIR)	3	1. Associate Professor Anchalee Pipatanasern 2. Mr. Prinya Waiwatana 3. Associate Professor Niputh Jitprasonk
Monitoring Fraud Risk Management (MFM)	1	1. Associate Professor Anchalee Pipatanasern
Monitoring of the Quality of Financial Reporting (MFR)	1	1. Associate Professor Anchalee Pipatanasern
Role of the Compensation Committee (RCC)	1	1. Mr. Prinya Waiwatana
The role of Chairman Program (RCP)	6	1. Mr. Pakorn Malakul na Ayudhya 2. Associate Professor Anchalee Pipatanasern 3. Mr. Wisoot Karnchanapunyapong 4. Mrs. Naline Ngamsetthamas 5. Mr. Nopporn Picha 6. Mrs. Chiraporn Chemnasiri
Role of the Nomination and Governance Committee (RNG)	1	1. Mrs. Kongkeaw Piamduaytham
Board Matters and Trends (BMT)	1	1. Associate Professor Anchalee Pipatanasern

#### 10. 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.

## 11. Company Secretary

The Board of Directors passed a resolution No. 1/2554 on 21 September 2011 to appoint Miss Netrsine 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.

## 12. Code of Best Practices of the Stock Exchange of Thailand

The Stock Exchange of Thailand had suggested the listed companies to take Code of Best Practices into actions as much as possible by adjusting to suit with the situation of each company or explaining the failures that prevent the abilities to practice according to the said principle (Comply and Explain Principle).

The Board of Directors had evaluated the guideline for corporate governance of the company and found that throughout 2019, the Company as the listed company had practiced according to the good corporate governance for listed companies of the Stock Exchange of Thailand. In some principles, the Company had selected for different usage. The details and the explanations were shown as followed:

Good Principles/Practices of the Stock Exchange of Thailand	Explanation
1. The Committee should determine the policy for taking a position as Director in other companies of Top Executives.	<p>The Corporate Governance Policy of the Company does not determine the number of companies that the Top Executive, which is Chief Executive Officer (CEO), has taken a position. The Board of Directors has seen that the Company conducts the business as Holding Company. Therefore, it is necessary for CEO to manage the subsidiaries and the associates. Also, the Board of Directors has seen that CEO has adequate time to prepare oneself for attending the Meeting of Board of Directors and the Meeting of Sub-Committee, including the internal organization management.</p> <p>In 2019, however, the Committee had realized about the significance. Therefore, it had considered the corporate governance policy (Revised Edition 2020) and had</p>

Good Principles/Practices of the Stock Exchange of Thailand	Explanation
	determined the policy for Director in other companies of the Top Executive (“Chief Executive Officer”) “by which the Chief Executive Officer can take a position as Director in other companies, but it must not become the obstacle to the performance of Cheif Executive Officer of the Company. The business must not be in the same business type or must not compete with the Company’s business and must receive an approval from the Board of Directors before taking a position as Director in other companies”.
2. Nomination Committee should consist of Independent Committee	In 31 December 2019, Nomination and Remuneration Committee consisted of Independent Director for 75 percent and Non-Executive Director for 25 percent of all numbers of Director. The Board of Directors had seen that the Non-Executive Director can give opinion independently and the composition of the Sub-Committee was suitable.
3. The Committee should identify the term of office of Independent Director clearly in Corporate Governance Policy by which it shall not exceed 9 years with no exception.	The Corporate Governane Policy did not identify the term of office of Independent Director clearly . However, the Board of Directors had seen that all 7 Independent Directors of the Company (from 11 Company Directors) had knowledge, expertise, and experiences in the business of the Company.

### 13. Control and supervision of subsidiaries

As at 31 December 2019, the Company has the following 9 subsidiaries and 2 associate 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 (“ASP1”), 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%

#### Associates 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 (“TVXT”), 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 management control policy of subsidiaries and associates companies, financial control policies of subsidiaries and associate Companies.

## INTERNAL CONTROL

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 Treadway 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 function 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 the 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.1/2020 held on February 26, 2020, all of audit committee joint 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 in 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 no.1/2020, held on February 24, 2020, 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 17 main sub-issues) which are (1) Control Environment (2) Risk Assessment (3) Control Activities (4) Information & Communication (5) Monitoring Activities. The Audit Committee also confirmed and comment about no significant change compared with the last year, that the Company has effective and sufficient internal control system.

#### **Head of Internal Audit and Head of Compliance**

On the Audit Committee meeting no.3/2018, held on August 8, 2018, the committee has appointed to Ms. Netsine Naksuk, Company Secretary and First Executive Vice President to be an audit committee secretary.

Then, on the Audit Committee meeting no.3/2019, held on August 7, 2019, the committee has appointed to Miss Mira Kicwattanatawon, Manager of Internal Audit Department to be a person in charge, who has responsibility to work as head of internal audit department. Miss Mira Kicwattanatawon graduated Bachelor degree of Business Administration (BBA) in Accounting from Assumption University and have experience in auditing field more than 6 years.

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.

## ANTI-CORRUPTION POLICY

In 2019, the Company had received the Membership Certificate of Collective Action Coalition Against Corruption. As confirmation of intention, the Company resists all types of bribery and 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.

For subsidiaries, associates and associate 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 associate 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 is subsidiary that have been certified by CAC namely, AIRA Securities Public Company Limited ("AS").

Moreover, the Company with the associated companies had arranged the seminar under the topic of “Enhancing Understanding of Anti-Corruption 2019” and had invited Dr. Chetsada Chor. Charoenying as the guest speaker. The content in in the seminar consisted of the giving of knowledge to support good organizational culture and the building of awareness to the importance of compliance with Anti-Corruption Policy as well as creating the knowledge and the understanding about corruption and impact in order to obtain the proper practices for anti-corruption.

## AUDIT FEE

### 1. Audit Fee

In 2019, the Company and its subsidiaries paid Audit Fee to Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd. and parties related to the auditor and the audit firm, as follows:

Company and its subsidiaries	Audit Firm	Audit Fee (Baht)	Audit Fee (Singapore Dollars)
AIRA Capital Public Company Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	530,000	-
AIRA Securities Public Company Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	1,300,000	-
AIRA Factoring Public Company Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	930,000	-
AIRA Advisory Company Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	200,000	-
AIRA International Advisory (Singapore) Pte. Ltd.	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	-	12,000
AIRA Property Company Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	400,000	-
Aspiration One Company Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	450,000	-
AIRA Leasing Public Company Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	880,000	-
AIRA Venture Capital Limited	MS& Associates Limited	30,000	-
AIRA Asset Management Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	100,000	-
<b>Audit Fee</b>		<b><u>4,820,000</u></b>	<b><u>12,000</u></b>

Note: The Audit Fee does not include other expenses which incurred from the audit activity – such as travelling and photocopying expenses; for which such expenses the auditor will charge based on actual expenses incurred.

### 2. Non-Audit Fee

In 2019, 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.

## SUMMARY FINANCIAL STATEMENT

### Important Financial Information for the year 2019

#### (1) Summary of Financial Statements

#### (2) Key Ratios and Analysis

##### (1) Summary Financial Statement

The financial statements presented here comprises of the statements of financial position, statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity, and statements of cash flows from the consolidated financial statements for the year ended 31 December 2019, 31 December 2018, and 31 December 2017 respectively. These financial statements were audited by Independent Auditor with unqualified opinion for the past 3 consecutive years.

#### Statements of financial position

(Unit : Baht)

Descriptions	As at 31 December 2019	%	As at 31 December 2018	%	As at 31 December 2017	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	616,748,137	6.80	582,381,404	7.38	964,904,512	12.07
Temporary investments	78,191,440	0.86	81,369,010	1.03	83,003,035	1.04
Receivables from Clearing House and broker - dealers	99,602,834	1.10	122,011,149	1.55	399,296,302	4.99
Securities and derivatives business receivables	1,341,029,536	14.79	1,505,052,159	19.06	1,568,724,972	19.62
Factoring receivables	2,399,113,551	26.47	2,292,068,340	29.03	2,648,427,861	33.12
Current portion of finance lease receivables	110,410,668	1.22	127,310,940	1.61	49,233,099	0.62
Current portion of hire purchase receivables	219,167,570	2.42	169,992,774	2.15	37,024,830	0.46
Current portion of loans receivable	152,078,142	1.68	41,786,828	0.53	15,689,503	0.20
Other receivables	30,279,282	0.33	27,946,458	0.35	24,559,500	0.31
Refundable value added tax	79,575,438	0.88	62,859,525	0.79	17,331,267	0.22
Other current assets	48,494,939	0.54	21,898,110	0.28	21,267,526	0.27
<b>Total current assets</b>	<b>5,174,691,537</b>	<b>57.09</b>	<b>5,034,767,697</b>	<b>63.77</b>	<b>5,829,462,407</b>	<b>72.89</b>
<b>Non-current assets</b>						
Deposits at financial institutions pledged as collateral	662,995	0.01	3,256	0.00	3,166	0.00
Finance lease receivables – net of current portion	295,913,882	3.26	312,214,148	3.96	150,591,798	1.88
Hire purchase receivables-net of current portion	417,365,816	4.60	383,625,423	4.86	73,468,828	0.92
Loans receivable – net of current portion	9,155,900	0.10	27,280,586	0.35	22,762,961	0.29
Investments in associates	678,428,865	7.48	785,528,877	9.95	896,414,366	11.21
Other long-term investments	3,667,680	0.04	3,256,800	0.04	3,000,000	0.04
Assets held for lease	89,866,590	0.99	97,740,389	1.24	103,064,445	1.29

# Statement of financial position (continued)

(Unit : Baht)

Descriptions	As at 31 December 2019	%	As at 31 December 2018	%	As at 31 December 2017	%
Equipment	63,832,975	0.70	79,206,468	1.00	94,573,175	1.18
Goodwill	137,736,928	1.52	137,736,928	1.75	137,736,928	1.72
Other intangible assets	121,106,534	1.34	129,420,441	1.64	121,124,063	1.52
Investment property	1,953,967,578	21.56	-	-	-	-
Deferred tax assets	38,829,765	0.43	33,896,307	0.43	7,448,429	0.09
Assets held for sale	3,619,000	0.04	5,481,700	0.07	7,076,300	0.09
Leasehold and cost of project under development	-	-	794,999,702	10.07	491,894,166	6.15
Other non-current assets	75,362,477	0.83	69,630,802	0.88	58,515,117	0.73
<b>Total non-current assets</b>	<b>3,889,516,985</b>	<b>42.91</b>	<b>2,860,021,827</b>	<b>36.23</b>	<b>2,167,673,742</b>	<b>27.11</b>
<b>Total assets</b>	<b>9,064,208,522</b>	<b>100.00</b>	<b>7,894,789,524</b>	<b>100.00</b>	<b>7,997,136,149</b>	<b>100.00</b>
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Short-term borrowings from financial institutions	2,122,000,000	23.41	2,027,000,000	25.68	2,317,000,000	28.97
Payables to Clearing House and broker - dealers	141,239,408	1.56	211,207,530	2.68	128,435,096	1.61
Securities and derivatives business payables	159,606,571	1.76	151,953,391	1.93	735,118,564	9.19
Excess receipts awaiting to repay	67,246,601	0.74	47,823,934	0.61	37,099,930	0.46
Other current payables	383,848,165	4.23	83,432,072	1.06	69,897,841	0.87
Current portion of liabilities under finance lease agreements	13,429,901	0.15	16,718,418	0.21	15,506,174	0.19
Bills of exchange	552,310,447	6.09	308,348,432	3.91	99,917,876	1.25
Current portion of subordinated debentures	-	-	200,000,000	2.53	-	-
Current portion of long-term borrowing from financial institutions	17,500,000	0.19	-	-	-	-
Retention from factoring	40,291,518	0.44	40,884,858	0.52	37,252,109	0.47
Income tax payable	2,345,917	0.03	8,683,816	0.11	1,494,950	0.02
Other current liabilities	91,236,751	1.01	16,248,485	0.21	14,187,813	0.18
<b>Total current liabilities</b>	<b>3,591,055,279</b>	<b>39.62</b>	<b>3,112,300,936</b>	<b>39.42</b>	<b>3,455,910,353</b>	<b>43.21</b>

# Statement of financial position (continued)

(Unit : Baht)

Descriptions	As at 31 December 2019	%	As at 31 December 2018	%	As at 31 December 2017	%
<b>Non-current liabilities</b>						
Long-term borrowings from financial institutions	608,000,000	6.71	40,000,000	0.51	-	-
Non-current portion of liabilities under finance lease agreements	12,328,725	0.14	14,286,229	0.18	27,731,039	0.35
Non-current portion of subordinated debentures	150,000,000	1.65	-	-	200,000,000	2.50
Provision for long-term employee benefits	22,627,793	0.25	28,588,312	0.36	18,091,079	0.23
Deferred tax liabilities	11,862,627	0.13	14,028,559	0.18	16,517,660	0.21
Other non-current liabilities	29,981,870	0.33	24,216,694	0.31	5,549,835	0.07
<b>Total non-current liabilities</b>	<b>834,801,015</b>	<b>9.21</b>	<b>121,119,794</b>	<b>1.53</b>	<b>267,889,613</b>	<b>3.35</b>
<b>Total liabilities</b>	<b>4,425,856,294</b>	<b>48.83</b>	<b>3,233,420,730</b>	<b>40.96</b>	<b>3,723,799,966</b>	<b>46.56</b>
<b>Shareholders' equity</b>						
Share capital						
Registered						
7,160,000,000 ordinary shares of Baht 0.25 each	1,790,000,000		1,790,000,000		1,790,000,000	
Issued and paid-up						
6,314,878,533 ordinary shares of Baht 0.25 each (31 December 2018 : 6,314,878,393 ordinary shares of Baht 0.25 each)	1,578,719,633	17.42	1,578,719,598	20.00	1,509,871,335	18.88
Premium on shares	3,060,540,270	33.77	3,060,539,816	38.77	2,579,295,430	32.25
Retained earnings (deficits)						
Appropriated – Legal reserve	16,788,645	0.19	16,788,645	0.21	16,202,163	0.20
Unappropriated	(823,372,377)	(9.08)	(658,262,523)	(8.34)	(466,912,957)	(5.84)
Other component of shareholders' equity	(3,247,115)	(0.04)	(4,991,594)	(0.06)	(8,625,983)	(0.11)
<b>Equity attributable to shareholders of the Company</b>	<b>3,829,429,056</b>	<b>42.25</b>	<b>3,992,793,942</b>	<b>50.58</b>	<b>3,629,829,988</b>	<b>45.39</b>
Non-controlling interests of the subsidiaries	808,923,172	8.92	668,574,852	8.47	643,506,195	8.05
<b>Total shareholders' equity</b>	<b>4,638,352,228</b>	<b>51.17</b>	<b>4,661,368,794</b>	<b>59.04</b>	<b>4,273,336,183</b>	<b>53.44</b>
<b>Total liabilities and shareholders' equity</b>	<b>9,064,208,522</b>	<b>100.00</b>	<b>7,894,789,524</b>	<b>100.00</b>	<b>7,997,136,149</b>	<b>100.00</b>

# Statements of profit or loss and other comprehensive income

(Unit : Baht)

Descriptions	For the year ended 31 December 2019	%	For the year ended 31 December 2018	%	For the year ended 31 December 2017	%
<b>Revenues</b>						
Brokerage fees	271,705,069	34.70	324,803,075	40.29	325,585,983	41.88
Fees and services income	67,291,674	8.59	68,448,483	8.49	61,089,963	7.86
Gain on investments	7,296,725	0.93	-	-	8,038,065	1.03
Interest and dividend	51,199,546	6.54	45,960,161	5.70	57,715,852	7.42
Interest on margin loans	77,769,642	9.93	90,740,655	11.26	83,629,387	10.76
Interest income from factoring	177,199,201	22.63	179,721,181	22.30	172,274,151	22.16
Hire purchase and finance lease income	75,629,775	9.66	39,045,231	4.84	10,820,145	1.39
Rental and services income	47,794,154	6.10	51,501,600	6.39	51,045,323	6.57
Other incomes	7,165,230	0.92	5,873,355	0.73	7,233,569	0.93
<b>Total revenues</b>	<b>783,051,016</b>	<b>100.00</b>	<b>806,093,741</b>	<b>100.00</b>	<b>777,432,438</b>	<b>100.00</b>
<b>Expenses</b>						
Operating and administrative expenses						
Personnel expenses	401,577,043	51.28	393,920,762	48.87	395,307,667	50.85
Depreciation and amortisation	64,327,880	8.22	53,689,774	6.66	68,953,381	8.87
Fees and services expenses	66,397,673	8.48	63,479,426	7.87	55,097,236	7.09
Other expenses	177,698,893	22.69	177,861,900	22.06	176,947,823	22.76
<b>Total operating and administrative expenses</b>	<b>710,001,489</b>	<b>90.67</b>	<b>688,951,862</b>	<b>85.47</b>	<b>696,306,107</b>	<b>89.56</b>
Bad debt and doubtful accounts	23,638,876	3.02	30,659,760	3.80	21,234,269	2.73
Loss on investments	-	-	14,643,982	1.82	-	-
<b>Total expenses</b>	<b>733,640,365</b>	<b>93.69</b>	<b>734,255,604</b>	<b>91.09</b>	<b>717,540,376</b>	<b>92.30</b>
<b>Profit before share of loss from investments in associates, finance costs and income tax expenses</b>	<b>49,410,651</b>	<b>6.31</b>	<b>71,838,137</b>	<b>8.91</b>	<b>59,892,062</b>	<b>7.70</b>
Share of loss from investments in associates	(107,032,335)	(13.67)	(111,188,557)	(13.79)	(184,820,384)	(23.77)
<b>Profit before finance costs and income tax expenses</b>	<b>(57,621,684)</b>	<b>(7.36)</b>	<b>(39,350,420)</b>	<b>(4.88)</b>	<b>(124,928,322)</b>	<b>(16.07)</b>
Finance costs	(108,112,599)	(13.81)	(97,815,909)	(12.13)	(100,542,843)	(12.93)
<b>Profit (loss) before income tax expenses</b>	<b>(165,734,283)</b>	<b>(21.17)</b>	<b>(137,166,329)</b>	<b>(17.02)</b>	<b>(225,471,165)</b>	<b>(29.00)</b>
Income tax expenses	(7,593,325)	(0.97)	(2,883,225)	(0.36)	(2,775,261)	(0.36)
<b>Profit (loss) for the year</b>	<b>(173,327,608)</b>	<b>(22.13)</b>	<b>(140,049,554)</b>	<b>(17.37)</b>	<b>(228,246,426)</b>	<b>(29.36)</b>

# Statements of profit or loss and other comprehensive income (continued)

(Unit : Baht)

Descriptions	For the year ended 31 December 2019	%	For the year ended 31 December 2018	%	For the year ended 31 December 2017	%
Other comprehensive income (expense):						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>						
Gain (loss) on re-measuring available-for-sale investments	(3,177,570)	(0.41)	2,385,975	0.30	42,951,591	5.52
Exchange differences on translation of financial statement in foreign currency	4,434,194	0.57	1,785,051	0.22	685,990	0.09
Income tax relating to the components of other comprehensive income	635,514	0.08	(477,195)	(0.06)	(8,590,318)	(1.10)
Other comprehensive income to be reclassified to profit or loss in subsequent periods – net of income tax	1,892,138	0.24	3,693,831	0.46	35,047,263	4.51
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>						
Actuarial gain (loss)	(159,223)	(0.02)	(7,258,823)	(0.90)	4,746,612	0.61
Share of other comprehensive income (expense) of associates	(84,595)	(0.01)	378,834	0.05	(533,713)	(0.07)
Income tax relating to the components of other comprehensive income	43,456	0.01	616,528	0.08	(842,581)	(0.11)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods – net of income tax	(200,362)	(0.03)	(6,263,461)	(0.78)	3,370,318	0.43
Other comprehensive income (expense) for the year	1,691,776	0.22	(2,569,630)	(0.32)	38,417,581	4.94
<b>Total other comprehensive income (expense) for the years</b>	<b>(171,635,832)</b>	<b>(21.92)</b>	<b>(142,619,184)</b>	<b>(17.69)</b>	<b>(189,828,845)</b>	<b>(24.42)</b>
<b>Profit (loss) for the year attributable to:</b>						
Equity holders of the Company	(164,960,130)	(21.07)	(144,347,397)	(17.91)	(231,887,500)	(29.83)
Non-controlling interests of the subsidiaries	(8,367,478)	(1.07)	4,297,843	0.53	3,641,074	0.47
	<b>(173,327,608)</b>	<b>(22.13)</b>	<b>(140,049,554)</b>	<b>(17.37)</b>	<b>(228,246,426)</b>	<b>(29.36)</b>

# Statements of profit or loss and other comprehensive income (continued)

(Unit : Baht)

Descriptions	For the year ended 31 December 2019	%	For the year ended 31 December 2018	%	For the year ended 31 December 2017	%
Total comprehensive income (expense) attributable to:						
Equity holders of the Company	(163,365,375)	(20.86)	(147,035,920)	(18.24)	(194,624,335)	(25.03)
Non-controlling interests of the subsidiaries	(8,270,457)	(1.06)	4,416,736	0.55	4,795,490	0.62
	(171,635,832)	(21.92)	(142,619,184)	(17.69)	(189,828,845)	(24.42)
Earnings (loss) per share						
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	(0.027)		(0.024)		(0.039)	
Diluted earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	(0.027)		(0.024)		(0.039)	

## Statement of cash flows

(Unit : Baht)

Descriptions	For the year ended 31 December 2019	For the year ended 31 December 2018	For the year ended 31 December 2017
Cash flows from operating activities			
Profit (loss) before income tax expense	(165,734,284)	(137,166,329)	(225,471,165)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid for) operating activities:			
Depreciation and amortization	64,327,880	53,689,774	68,953,381
Bad debt and doubtful accounts	23,638,876	30,659,760	21,234,269
Gain on changing in fair value of investments in trading securities	-	(54,286)	2,554,932
Loss on sales of available for sale	-	-	105,111
Profit from write-off equipment and intangible assets	(1,559,925)	(527,463)	(329,912)
Gain from sales of assets held for sale	-	-	(93,400)
Provision for impairment of assets held for sale	1,862,700	1,594,600	1,848,000
Share of loss from investments in associates	107,032,335	111,188,557	184,820,384
Long-term employee benefits expenses	7,445,701	1,992,889	6,837,051
Interest on margin loans income	(77,769,642)	(90,740,655)	(83,629,387)
Interest and dividend income	(51,199,546)	(45,960,161)	(57,715,852)
Hire purchase and finance lease income	(75,629,775)	(39,045,231)	(10,820,145)
Gain on sales of asset for lease	(699,991)	(3,264,936)	(5,571,184)
Finance costs	108,112,599	97,815,909	100,542,843
Profit (loss) from operating activities before changes in operating assets and liabilities	(60,173,071)	(19,817,572)	3,264,926
Operating assets decrease (increase)			
Temporary investments	-	4,074,302	260,085,068
Receivables from Clearing House and broker-dealers	22,408,315	277,285,153	122,242,585
Securities and derivatives business receivables	241,792,265	154,413,468	219,416,385
Factoring receivables	(115,420,925)	341,032,304	(549,489,466)
Lease receivables	63,913,676	(250,548,448)	(131,218,107)
Hire purchase receivables	(40,052,210)	(483,623,193)	(105,758,941)
Loans receivable	(103,754,557)	(44,911,264)	(9,006,663)
Other current receivables	(3,954,399)	33,783,259	11,941,007

# Statement of cash flows (continued)

(Unit : Baht)

Descriptions	For the year ended 31 December 2019	For the year ended 31 December 2018	For the year ended 31 December 2017
<b>Cash flows from operating activities (continued)</b>			
Refundable value added tax	(16,715,913)	(32,741,258)	(13,266,323)
Other current assets	(24,300,415)	(21,610,909)	1,347,272
Other non-current assets	(6,393,897)	(5,630,342)	(4,602,306)
Operating liabilities increase (decrease)			
Payables to Clearing House and broker-dealers	(69,968,122)	82,772,434	123,143,509
Securities and derivatives business payables	7,653,180	(583,165,173)	38,395,188
Other current payables	6,684,856	31,075,856	(2,103,841)
Retention from factoring	(593,340)	3,632,748	(15,340,020)
Excess receipts awaiting to repay	19,422,667	10,724,004	(20,492,542)
Other current liabilities	85,236,422	2,188,500	(2,747,437)
Provision for long-term employee benefits	(13,406,220)	(2,274,850)	(7,621,096)
Other non-current liabilities	5,765,176	18,666,859	119,314
Cash flows from (used in) operating activities	(1,856,512)	(484,674,122)	(81,691,488)
Cash received from interest and dividend	49,579,040	101,642,995	55,062,690
Cash paid for interest expenses	(116,094,646)	(88,384,896)	(81,322,304)
Cash received (paid for) corporate income tax	(21,001,769)	(21,776,033)	(25,994,563)
<b>Net cash used in operating activities</b>	<b>(89,373,887)</b>	<b>(493,192,056)</b>	<b>(133,945,665)</b>
<b>Cash flows from investing activities</b>			
Cash received from temporary investments	-	-	69,076,000
Decrease in short-term investment – fixed deposit	-	-	5,068,557
Cash received from sales of general investments	-	-	25,000,000
Decrease (increase) in deposit at financial institutions pledged as collateral	(659,739)	(90)	224,577
Cash paid for investments in associates	-	-	(450,000,000)
Cash paid for purchase of other long-term investments	(410,880)	(256,800)	-
Cash paid from assets held for sale	(2,407,450)	(6,335,084)	(10,416,823)
Cash received from assets held for sale	-	-	400,000
Cash paid for purchases of equipment and intangible assets	(10,248,749)	(28,960,221)	(13,840,900)
Proceeds from sales of equipment	1,587,423	648,736	416,661
Cash received from sales of asset for lease	700,000	3,264,942	5,571,262
Cash paid for investment property	(870,155,598)	-	-
Cash paid for leasehold and cost of project under development	-	(303,105,536)	(258,402,776)
<b>Net cash used in investing activities</b>	<b>(881,594,993)</b>	<b>(334,744,053)</b>	<b>(626,903,442)</b>

# Statement of cash flows (continued)

(Unit : Baht)

Descriptions	For the year ended 31 December 2019	For the year ended 31 December 2018	For the year ended 31 December 2017
<b>Cash flows from financing activities</b>			
Cash received (paid for) short-term borrowing from financial institutions	95,000,000	(290,000,000)	382,000,000
Cash received from long-term borrowing from financial institutions	585,500,000	40,000,000	-
Cash paid for liabilities under finance lease agreement	(21,954,335)	(19,170,348)	(19,746,210)
Cash received from bills of exchange	601,736,448	2,111,494,587	1,585,985,196
Cash paid for bills of exchange	(358,000,000)	(1,910,000,000)	(1,960,000,000)
Cash paid for dividend	-	(40,092,775)	(56,573,218)
Cash paid for debt issued	(200,000,000)	-	-
Cash received for debt issued	150,000,000	-	-
Cash received from increase in capital of subsidiary from non-controlling interest	160,000,000	20,651,915	160,000,038
Dividend paid to non-controlling interest by subsidiaries	(11,381,223)	(19,348,078)	(20,486,201)
Proceeds from advance receipt exercise of warrants	489	550,092,649	714,930,306
<b>Net cash provided by financing activities</b>	<b>1,000,901,419</b>	<b>443,627,950</b>	<b>786,109,911</b>
Differences on transaction of financial statement	4,434,194	1,785,051	685,990
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>34,366,733</b>	<b>(382,523,108)</b>	<b>25,946,794</b>
Cash and cash equivalents at January 1,	582,381,404	964,904,512	938,957,718
Cash and cash equivalents at December 31,	616,748,137	582,381,404	964,904,512
<b>Supplemental cash flow information</b>			
Non-cash items			
Write off bad debt	-	-	63,253,205
Purchases of equipment recorded as liabilities	37,450	2,608,803	25,766,484
Purchases of equipment recorded as finance lease liabilities	2,483,568	31,004,646	43,237,213
Gain (loss) on re-measuring available-for-sale investments - net of income tax	(2,542,056)	1,908,780	34,361,273
Gain (loss) on remeasurement of defined benefit plans – net of income tax	16,919	(6,642,295)	3,768,763

## (2) Ratio Analysis

Financial ratio	31 December 2019	31 December 2018	31 December 2017
<b>Profitability Ratio</b>			
Gross profit margin – Securities business (%)	28.99%	30.67%	31.70%
Gross profit margin – Factoring business (%)	75.60%	76.20%	76.68%
Interest rate income - Factoring business (%)	9.33%	8.99%	9.06%
Interest rate expenses - Factoring business (%)	2.99%	2.75%	2.80%
Interest Rate Spread - Factoring business (%)	6.34%	6.24%	6.27%
Gross profit margin – Leasing business (%)	56.10%	64.36%	33.12%
Net profit margin (%)	(22.13%)	(17.37%)	(29.36%)
Return on equity : ROE (%)	(4.22%)	(3.79%)	(6.88%)
<b>Efficiency Ratio</b>			
Current Ratio	1.44	1.62	1.70
Return on asset : ROA (%)	(2.04%)	(1.76%)	(2.99%)
Asset turnover	0.09	0.10	0.10
<b>Financial Ratio</b>			
Current asset to asset ratio	0.57	0.64	0.73
Performing asset to asset ratio	0.48	0.54	0.59
Debt to asset ratio	0.49	0.41	0.47
Debt to equity ratio	0.96	0.69	0.87
Lending ratio per loan (%)	131.44%	128.64%	132.37%
Dividend Payout Ratio (%)	-	(27.08%)	(25.64%)
<b>Information per share (Baht)</b>			
Par value per share	0.25	0.25	0.25
Book value per share	0.73	0.74	0.71
Basic earnings per share (Profit attributable to equity holders of the Company)	(0.027)	(0.024)	(0.039)
Diluted earnings per share (Profit attributable to equity holders of the Company)	(0.027)	(0.024)	(0.039)
Dividend per share	-	0.0065	0.0100

### Remark :

- Gross Profit Margin Calculation for Securities business was calculated from financial statements of AIRA Securities Public Company Limited.
- Gross Profit Margin Calculation for Factoring business was calculated from financial statements of AIRA Factoring Public Company Limited.
- Gross Profit Margin Calculation for Leasing business was calculated from financial statements of AIRA Leasing Public Company Limited
- Interest rate income - Factoring business included income from both interest income and fees and services.
- Dividend Payout Ratio : Dividend per share / Earnings per share calculated from the consolidated financial statements.
- Book value per share : Shareholders' equity / Number of Ordinary shares issued.

### 1. Overview of Operations and Key Factors

The Company is a holding company and primarily engaged in investment in other companies. In 2019, operations of the whole group which included the Company, its subsidiaries, and associates created total revenue of Baht 2.6 billion. Total revenue portion from the Company and its subsidiaries from Securities business, Factoring business, Leasing business and Advisory and Investment Banking business were reported at Baht 783 million. The other portion of revenue is total revenue from associates which has not been reported under revenues in the consolidated financial statements. Such revenues of Baht 1.8 billion came from an associate that operates consumer finance business which has revenue growth for the past 5 years. It can be said that, in 2019, the whole group of companies which included subsidiaries and associates had created higher total revenues comparing to the previous year. However, many factors; such as economic factors, market status, competitors, and policy directions in 2019, had effected operating results and profitability of each company in a different way. Such factors and its impact to the operating results will be described in the following content.

In 2019, the overall Thai economy and the Stock Market was slow down. GDP expanded at 2.4% which is the lowest rate since 2014. the main drivers are from private sector both consumption and investment expanded at 4.5% and 2.8% respectively. Government consumption and government investment expanded merely 1.4% and 0.2% respectively owing to a delay in an approval process of annual appropriations bill budget. Exports also decreased by 3.2% due to global economic risk factors and Thai Baht currency appreciation.

The Stock Exchange Price index (SET Index) as at December 2019 closed at 1,579.84. The total market value of SET and mai is 16.96 trillion baht. In 2019, technology, Agro & Food Industry, Resources and Services industry groups outpaced SET index.

The average daily trading value of SET and mai in 2019 was Baht 53,192 million, decreasing 7.77% from year 2018.

#### Major updates of the companies in the year 2019

- (1) Property Development Business, operated by AIRA Property Public Company Limited which has invested in Aspiration One Company Limited since 2015. Aspiration One Company Limited has engaged in developing office building for rent "Spring Tower" which is located at Ratchathewi intersection, and is a Grade A, LEED Goal Certification Targeted 27-storey office building. Contruction and development of the Spring Tower has completed and be available to use at the end of 2019 with prospective clients approximated 60% of total capacity.

- (2) Consumer Finance Business, operated by AIRA&AIFUL Public Co., Ltd. has started organizational restructuring in order to cope with digital disruption in finance sector and to be competitive in the market. Such restructuring is made in order to maximize efficiency in resource utilization. At the end of 2019, AIRA&AIFUL Public Co., Ltd. has 51 branches and booths nationwide. In addition, AIRA&AIFUL Public Co., Ltd. has continuously developed and improved its Credit Scoring model which applying customers database in the past and present in order to maintain proper credit approval criteria. At the end of 2019, AIRA&AIFUL Public Co., Ltd. reported total loan amount of Baht 6,115 million with number of customer accounts of over 300,000 accounts.
- (3) Leasing Business, operated by AIRA Leasing Public Company Limited, currently provides Hire Purchase, Finance Lease, and Operating Lease of industrial equipments and machines. AIRA Capital Public Company Limited has started investing in AIRA Leasing Public Company Limited in 2016. Since then, AIRA Leasing Public Company Limited's operation has expanded every year. At the end of 2019, AIRA Leasing Public Company Limited reported total loan amount of over Baht 1,100 million, and be profitable in according to its business plan.

## 2. Operating Results and Profitability

As described briefly in the Overview of Operations and Key Factors section, when summing up revenues of the Company, its subsidiaries, and associates, the whole group generated Baht 2.6 billion revenues in total. Revenue of Baht 1.8 billion was from an associate operates in Consumer Finance business which has not been reported under revenue in the consolidated financial statements. The other portion, total revenues of Baht 783 million presented in the consolidated financial statements mainly came from Securities business, Factoring business, and Leasing business as detailed below.

- (1) Securities business, operated by AIRA Securities Public Company Limited, had income from brokerage fees and interest on margin loan for the year ended 31 December 2019 at Baht 349 million, decreasing 16% YoY (Income from brokerage fees and interest on margin was Baht 416 million for year 2018). Such decrease was in line with the decrease in stock market overall trading volume. Based on SET market report, the average daily trading value of SET and mai in 2019 fell 7% to Baht 53,192 Million.
- (2) Factoring business, Operated by AIRA Factoring Public Company Limited, had interest income from factoring of Baht 177 million and fees and services income of Baht 48 million (majority of fees and services income total Baht 67 million presented in the consolidated financial statements) for the year 2019. Thus, a subsidiary in factoring business has managed to maintain its revenue to be almost the same level as previous year despite an economic slowdown in 2019.
- (3) Leasing business, operated by AIRA Leasing Public Company Limited, had revenue from Hire purchase and finance lease income included rental and services income for the year 2019 at Baht 123 Million, increasing Baht 33 million or 36% growth which is conforming to its business expansion plan.

In terms of expenses, the operating and administrative expenses for 2019 of the company and its subsidiaries reported in the consolidated financial statements was Baht 710 Million, increasing 3% from that of the previous year. Major components are detailed as follow.

- (1) Personnel expense which comprise of remuneration, employee benefit, and other benefit. Total personnel expenses of 2019 was Baht 402 million, increasing Baht 8 million or 2% comparing to year 2018.
- (2) Depreciation and amortization for 2019 was Baht 64 million, increasing Bah 11 million or 20% comparing to 2018. Depreciation and amortization comprises of depreciation of equipment, amortization of intangible assets, and depreciation of investment property.
- (3) Fees and services expenses in 2019 was Baht 66 million, mostly represents fees paid to the Clearing House and Stock Exchange of Thailand.
- (4) Other expenses for the year 2019 was Baht 178 million which consist of office and equipments rental of Baht 94 million. The rest are professional fees, marketing expenses, etc.

Depreciation and amortization has increase significantly in year 2019. Major contribution to such increase was depreciation of an investment property (a newly opened office building “Spring Tower”) of Aspiration One Company Limited, a subsidiary in property development business. The construction and development of such building has completed and be available to use in November 2019. As a result, the entire project under development at cost of Baht 1,962 million from leasehold and cost of project under developmet were transferred to be investment property. Therefore, Aspiration One Company Limited has started depreciate its investment property in November 2019. From 2020 onward, Aspiration One Company Limited will recognize rental and services income in full operation.

For 2019, the Company and its subsidiaries has bad debt and doubtful accounts expenses of Baht 24 million, a Baht 7 million decrease from 2018. The bad debt and doubtful accounts amount of Baht 22 million came from factoring business which in line with an expansion of loan from factoring receivables. Allowance for doubtful accounts of leasing business was Baht 2 million which represents normal customer in accordance to reserve policy of the company.

Finance costs of the Company and its subsidiaries for the year 2019 totaling Baht 108 million, increasing Baht 10 million from 2018 or 11% increase. Such increase in finance cost resulted from interest expense which is in line with borrowings volume of Securities business and Factoring business.

In 2019, the Company recognized share of loss from investments in associates, AIRA & AIFUL Public Company Limited and Travelex (Thailand) Limited. As mentioned earlier under section Overview of Operations and Key Factors, AIRA & AIFUL Public Company Limited’s revenue from consumer finance business is growing continuously over the past 5 years. However, AIRA & AIFUL Public Company Limited is still in the early stage with high investment focusing on setting up its foundation and IT Operating System, including expanding loan and number of customers. Therefore, AIRA & AIFUL Public Company Limited had a net loss in 2019 and AIRA Capital Public Company Limited has recognized share of loss from investment in associates of Baht 107 million, while in 2018 the Company recognized

share of loss from investments in associates Baht 111 million. Despite net loss of associates, the trend has represented an improvement in the operating result of associates.

The Company and its subsidiaries reported net loss for the year 2019 of Baht 173 million, comparing to net loss of Baht 140 million in 2018. Net loss incurred came from subsidiaries which were newly established during the past five years (i.e. property development business and asset management business) and share of loss on investments in associates which are still in the early stage of operation as described earlier. However, the operations of securities business, factoring business, and leasing business which are core businesses of the group are still profitable.

In terms of profitability, gross profit margins of major businesses are detailed as follow.

- (1) Gross profit margin of securities business in 2019 was 27.99%, decrease from 2018 due to high competition in securities business. However, AIRA Securities Public Company Limited has applied a strategy to provide value added services in order to maintain existing customers and at the same time obtaining new customers. Such strategy included arranging free seminars for customers regularly, developing competent marketing and securities trading personnel, and internal process and trading system improvement in order to improve services and customer satisfaction.
- (2) Gross profit margin of factoring business in 2019 was 75.60%, pretty much the same as that of year 2018 which was 76.20%. However, AIRA Factoring Public Company Limited has managed to expand loan from factoring receivables yet maintain interest rate spread at 6.34%
- (3) Gross profit margin of leasing business in 2019 is 56.10%, decrease from 2018 which was 64.36%. This is due to an expansion of hire purchase and financial lease receivables which gross profit margin is lower when comparing to that of operating lease business. However, AIRA Leasing Public Company Limited has plan to expand more in operating lease in order to improve gross profit margin of the Company.

### 3. Financial position and ability to manage operating assets

As of 31 December 2019, the sum up of total assets of the Company, its subsidiaries, and associates was over Baht 15,000 million. Of the Baht 15,000 million, Baht 6,000 million was total assets of AIRA & AIFUL Public Company Limited which has not been presented in the consolidated financial statements. Total Assets of the Company and its subsidiaries presented in the consolidated financial statements as of 31 December 2019, which been prepared according to basis of consolidation, was Baht 9,064 million, a Baht 1,169 million increase from total assets as of 31 December 2018 or 15% increase. Major movement in total assets can be described based on group of businesses as follow.

Securities business had receivables from clearing house and broker – dealers and securities and derivatives business receivables as of 31 December 2019 of Baht 100 million and Baht 1,341 million respectively, decreasing

Baht 22 million and baht 164 million respectively. Such decrease was in line with the a decrease in stock market's overall trade volume.

Factoring business reported factoring receivables at Baht 2,339 million as of 31 December 2019, increased Baht 107 million or 5% growth comparing to factoring receivables balance as of 31 December 2018.

Leasing business reported Finance lease receivables as of 31 December 2019 at Baht 406 million, a Baht 33 million or 8% decrease comparing to Finance lease receivables as of 31 December 2018. On the other hand, Hire purchase receivables as of 31 December 2019 was Baht 637 million, a Baht 83 million or 15% increase comparing to Hire purchase receivables as of 31 December 2018.

Loans receivable which being debtors in leasing and factoring business, as of 31 December 2019 was Baht 161 million, a Baht 92 million increase from previous year.

For property development business, the construction and development of office building for rent ("Spring Tower") of Aspiration One Company Limited has completed and be available for use in November 2019. The entire leasehold and cost of project under development accumulated since 2018 inclding cost incurred in 2019 were then transferred to be investment property. Investment property balance net of accumulated depreciation as of 31 December 2019 was Baht 1,954 million.

Total liabilities of the Company and its subsidiaries as of 31 December 2019 was Baht 4,426 million, a Baht 1,193 million increase or 37% growth compared to total liabilities of Baht 3,233 million as of 31 December 2018. Major increases were from borrowings from financial institutions, bills of exchange, and other current payables which mainly was construction cost payable of a company in property development business. On the other hand, payables to clearing house and broker – dealers has decreased when comparing to previous year.

Shareholders equity of the Company and its subsidiaries as of 31 December 2019 was Baht 4,638 million, a decrease of Baht 23 million or 0.5% from that of 31 December 2018. Due to an increase in total liabilities balance together with a slightly decrease in shareholders equity, debt to equity ratio has increased from 0.69 as of 31 December 2018 to 0.95 as of 31 December 2019.

#### 4. Liquidity and capital adequacy

Currently major source of fund of the Company is from equity. The Company has a policy in promoting subsidiaries's ability to independently seek funding source other than equity. The Company always provide support by introducing its subsidiaries to various commercial banks and financial institutions, as well as support subsidiaries regarding fund raising from capital markets.

As of 31 December 2019, subsidiaries have overdraft, short-term and long-term facilities limits from various financial institutions, with unutilized facilities of Baht 2,722.5 million. Such facilities were considered sufficient for supporting business expansion. For the given credit facilities, subsidiaries must comply with terms and conditions specified in the facilities agreement for example disallow of negative pledge on property and maintaining the financial covenant ratio etc.

Regarding source of fund, the Company has a policy to manage funding to match operations and purposes of spending by taking into account the debt to equity ratio and necessity in raising fund from the capital market.

##### Maintaining capital to net liquid assets

According to the Securities and Exchange Commission (SEC) regulations, 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 2017, 2018, and 2019, AIRA Securities Public Company Limited ("AS") had a net capital adequacy ratio of 89.76%, 174.30%, and 137.05% respectively. This shows that AS has sufficient liquidity to run a business and still have the ability to expand according to the defined 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.

A decorative graphic consisting of several parallel diagonal lines in shades of blue and grey, creating a sense of movement and depth.

## REPORT OF THE BOARD OF DIRECTORS ON FINANCIAL STATEMENTS

### To the Shareholders

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 agreed that the overall internal controls of the Company are sufficient and appropriate, with reasonable confidence in the financial statements as at December 31, 2019, 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. Nalinee Ngamsetthamas  
Chief Executive Officer

Mr. Nopporn Picha  
Acting of Chairman of the Board of Director



## REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

### REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

AIRA CAPITAL PUBLIC COMPANY LIMITED

### Opinion

We have audited the consolidated financial statements of AIRA Capital Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of AIRA Capital Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements 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 December 31, 2019, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

### Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

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

Key Audit Matters	Audit Responses
<p><b>Revenue recognition Brokerage fee of subsidiary - Securities Business</b></p> <p>Brokerage fees are fees from securities business and derivatives business which have terms and conditions to charge the fees based on trading volume. Key audit matters is whether the brokerage fees are occurrence and have been completely and accurately recognized in accordance with Thai Financial Reporting Standards.</p> <p>The accounting policies of revenue recognition, the details of brokerage fees and operating segment information were disclosed in Note 4.21, Note 42 and Note 50 to the financial statements, respectively.</p>	<p>Our key audit procedures were as follows:</p> <ul style="list-style-type: none"> <li>● Understanding the revenue recognition - brokerage fee process and related internal control procedures</li> <li>● Reviewing the design and implementation of the internal control procedures</li> <li>● Performing the operating effectiveness testing over the internal control procedures around revenue recognition process including related information and technology system</li> <li>● Performing the substantive testing as follows: <ul style="list-style-type: none"> <li>- Examining the trading volume information of securities and derivative of the customers and brokerage fees rates, recalculate the brokerage fees and examine the related supporting documents of those revenues whether the brokerage fees are occurrence and have been completely and accurately recognized</li> <li>- Performing the substantive analytical procedures relating to the brokerage fees.</li> </ul> </li> </ul>

Key Audit Matters	Audit Responses
<p><b>Allowance for doubtful accounts of subsidiary - Factoring Business</b></p> <p>The allowance for doubtful accounts represent management's estimation of loss that would occur from the Company's factoring and loan receivables as at the end of period.</p> <p>The allowance for doubtful accounts is considered as a key audit matter as there are management's judgement and assumption applied to the calculation of allowance for doubtful accounts.</p> <p>Accounting policy of the allowance for doubtful accounts and detail of allowance for doubtful accounts were disclosed in the Note 5, Note 11, and Note 14 to the financial statements.</p>	<p>Our key audit procedures were as follows:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's design and implementation of the key controls over significant source of data using in the calculation of allowance for doubtful accounts, and calculation of allowance for doubtful accounts</li> <li>• Performed operating effectiveness testing of control over significant source of data and calculation of allowance for doubtful account, accuracy of receivables classification and allowance for doubtful accounts</li> <li>• Performed substantive audit procedures consisted of: <ul style="list-style-type: none"> <li>- Assessed the adequacy of allowance and appropriate of significant input data and assumption used in calculation of allowance for doubtful accounts to determine if they are in compliance with the accounting standards and have been consistently applied</li> <li>-Examine the supporting documents in relation to the management consideration as indicators to recognition of allowance for doubtful accounts.</li> <li>-Tested calculation of allowance for doubtful accounts</li> </ul> </li> </ul>

## Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs 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 consolidated and separate financial statements.

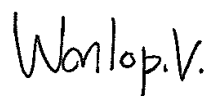
As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 our 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's and the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

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



Wonlop Vilaivaravit

Certified Public Accountant (Thailand)

Registration No. 6797

BANGKOK

February 26, 2020

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

## FINANCIAL STATEMENT

**AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

**Unit: Baht**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31,	December 31,	December 31,	December 31,
		2019	2018	2019	2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	616,748,137	582,381,404	135,779,521	270,400,838
Temporary investments	8	78,191,440	81,369,010	-	-
Receivables from Clearing House and broker - dealers	9	99,602,834	122,011,149	-	-
Securities and derivatives business receivables	10	1,341,029,536	1,505,052,159	-	-
Factoring receivables	11	2,399,113,551	2,292,068,340	-	-
Current portion of finance lease receivables	12	110,410,668	127,310,940	-	-
Current portion of hire purchase receivables	13	219,167,570	169,992,774	-	-
Current portion of loans receivable	14	152,078,142	41,786,828	-	-
Short-term loans to related parties	6	-	-	588,221,600	570,249,500
Other current receivables	15	30,279,282	27,946,458	29,102,803	34,639,338
Refundable value added tax		79,575,438	62,859,525	-	-
Other current assets	16	48,494,939	21,989,110	878,216	740,791
Total Current Assets		5,174,691,537	5,034,767,697	753,982,140	876,030,467
NON-CURRENT ASSETS					
Deposits at financial institutions pledged as collateral		662,995	3,256	-	-
Finance lease receivables - net of current portion	12	295,913,882	312,214,148	-	-
Hire purchase receivables - net of current portion	13	417,365,816	383,625,423	-	-
Loans receivable - net of current portion	14	9,155,900	27,280,586	-	-
Investments in associates	17	678,428,865	785,528,877	1,241,799,970	1,241,799,970
Investments in subsidiaries	18	-	-	2,650,782,507	2,560,782,507
Other long-term investments	20	3,667,680	3,256,800	-	-
Assets held for lease	21	89,866,590	97,740,389	-	-
Equipment	23	63,832,975	79,206,468	1,539,330	2,279,798
Goodwill	19	137,736,928	137,736,928	-	-
Other intangible assets	24	121,106,534	129,420,441	740,111	1,032,604
Investment property	22	1,953,967,578	-	-	-
Deferred tax assets	41	38,829,765	33,896,307	-	-
Assets held for sale	25	3,619,000	5,481,700	-	-
Leasehold and cost of project under development	26	-	794,999,702	-	-
Other non-current assets	27	75,362,477	69,630,802	1,603,895	1,345,569
Total Non-current Assets		3,889,516,985	2,860,021,827	3,896,465,813	3,807,240,448
TOTAL ASSETS		9,064,208,522	7,894,789,524	4,650,447,953	4,683,270,915

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2019

Unit: Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term borrowings from financial institutions	28	2,122,000,000	2,027,000,000	-	-
Payables to Clearing House and broker - dealers	29	141,239,408	211,207,530	-	-
Securities and derivatives business payables	30	159,606,571	151,953,391	-	-
Excess receipts awaiting to repay		67,246,601	47,823,934	-	-
Other current payables	31	383,848,165	83,432,072	579,913	707,176
Current portion of liabilities under finance lease agreements	32	13,429,901	16,718,418	-	-
Current portion of long-term borrowing from financial institutions	36	17,500,000	-	-	-
Bills of exchange	33	552,310,447	308,348,432	-	-
Current portion of subordinated debentures	34	-	200,000,000	-	-
Retention from factoring		40,291,518	40,884,858	-	-
Income tax payable		2,345,917	8,683,816	-	-
Other current liabilities	35	91,236,751	16,248,485	1,802,702	530,313
Total Current Liabilities		3,591,055,279	3,112,300,936	2,382,615	1,237,489
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings from financial institutions	36	608,000,000	40,000,000	-	-
Non-current portion of liabilities under finance lease agreements	32	12,328,725	14,286,229	-	-
Non-current portion of subordinated debentures	34	150,000,000	-	-	-
Provision for long-term employee benefits	37	22,627,793	28,588,312	2,120,475	9,357,591
Deferred tax liabilities	41	11,862,627	14,028,559	-	-
Other non-current liabilities		29,981,870	24,216,694	459,005	569,278
Total Non-current Liabilities		834,801,015	121,119,794	2,579,480	9,926,869
<b>TOTAL LIABILITIES</b>		<b>4,425,856,294</b>	<b>3,233,420,730</b>	<b>4,962,095</b>	<b>11,164,358</b>

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2019

Unit: Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31,	December 31,	December 31,	December 31,
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	38				
Authorized share capital					
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 share capital					
6,314,878,533 ordinary shares of Baht 0.25 each		1,578,719,633	-	1,578,719,633	-
6,314,878,393 ordinary shares of Baht 0.25 each		-	1,578,719,598	-	1,578,719,598
Premium on shares		3,060,540,270	3,060,539,816	3,060,540,270	3,060,539,816
Retained earnings (deficit)					
Appropriated - Legal reserve	40	16,788,645	16,788,645	16,788,645	16,788,645
Unappropriated		(823,372,377)	(658,262,523)	(10,562,690)	16,058,498
Other component of shareholders' equity		(3,247,115)	(4,991,594)	-	-
Equity attributable to shareholders of the Company		3,829,429,056	3,992,793,942	4,645,485,858	4,672,106,557
Non-controlling interests of the subsidiaries		808,923,172	668,574,852	-	-
TOTAL SHAREHOLDERS' EQUITY		4,638,352,228	4,661,368,794	4,645,485,858	4,672,106,557
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,064,208,522	7,894,789,524	4,650,447,953	4,683,270,915

Notes to the financial statements form an integral part of these statements

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
REVENUES					
Brokerage fees	42	271,705,069	324,803,075	-	-
Fees and services income	43	67,291,674	68,448,483	-	-
Gain on investments		7,296,725	-	-	-
Interest and dividend		51,199,546	45,960,161	42,536,442	74,251,942
Interest on margin loans		77,769,642	90,740,655	-	-
Interest income from factoring		177,199,201	179,721,181	-	-
Hire purchase and finance lease income		75,629,775	39,045,231	-	-
Rental and services income		47,794,154	51,501,600	-	-
Other income		7,165,230	5,873,355	4,319	3
Total Revenues		783,051,016	806,093,741	42,540,761	74,251,945
EXPENSES					
Operating and administrative expenses					
Personnel expenses		401,577,043	393,920,762	50,982,007	44,968,675
Depreciation and amortization		64,327,880	53,689,774	1,230,575	1,820,116
Fees and services expenses		66,397,673	63,479,426	2,092,747	2,303,952
Other expenses	44	177,698,893	177,861,900	14,856,620	13,429,557
Total operating and administrative expenses		710,001,489	688,951,862	69,161,949	62,522,300
Bad debt and doubtful accounts		23,638,876	30,659,760	-	-
Loss on investments		-	14,643,982	-	-
Total Expenses		733,640,365	734,255,604	69,161,949	62,522,300
<b>Profit (loss) before share of loss from investments in associates, finance costs and income tax expense</b>		49,410,651	71,838,137	(26,621,188)	11,729,645
Share of loss from investments in associates	17	(107,032,335)	(111,188,557)	-	-
<b>Profit (loss) before finance costs and income tax expense</b>		(57,621,684)	(39,350,420)	(26,621,188)	11,729,645
Finance costs		108,112,599	97,815,909	-	-
<b>Profit (loss) before income tax expense</b>		(165,734,283)	(137,166,329)	(26,621,188)	11,729,645
Income tax expense	41	7,593,325	2,883,225	-	-
<b>Profit (loss) for the years</b>		(173,327,608)	(140,049,554)	(26,621,188)	11,729,645

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>OTHER COMPREHENSIVE INCOME (EXPENSE)</b>					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Gain (loss) on re-measuring available-for-sale investments		(3,177,570)	2,385,975	-	-
Exchange differences on translation of financial statement in foreign currency		4,434,194	1,785,051	-	-
Income tax relating to the components of other comprehensive income		635,514	(477,195)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		1,892,138	3,693,831	-	-
Other comprehensive income not to be reclassified to loss in subsequent periods:					
Actuarial loss		(159,223)	(7,258,823)	-	(3,581,235)
Share of other comprehensive income (expense) of associates	17	(84,595)	378,834	-	-
Income tax relating to the components of other comprehensive income		43,456	616,528	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(200,362)	(6,263,461)	-	(3,581,235)
Other comprehensive income (expense) for the years		1,691,776	(2,569,630)	-	(3,581,235)
<b>TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE YEARS</b>		<b>(171,635,832)</b>	<b>(142,619,184)</b>	<b>(26,621,188)</b>	<b>8,148,410</b>
<b>PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO:</b>					
Equity holders of the Company		(164,960,130)	(144,347,397)	(26,621,188)	11,729,645
Non-controlling interests of the subsidiaries		(8,367,478)	4,297,843	-	-
		<b>(173,327,608)</b>	<b>(140,049,554)</b>		
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR ATTRIBUTABLE TO:</b>					
Equity holders of the Company		(163,365,375)	(147,035,920)	(26,621,188)	8,148,410
Non-controlling interests of the subsidiaries		(8,270,457)	4,416,736	-	-
		<b>(171,635,832)</b>	<b>(142,619,184)</b>		
<b>Earnings (loss) per share</b>					
46					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company (Baht per share)		(0.027)	(0.024)	(0.004)	0.002
Diluted earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company (Baht per share)		(0.027)	(0.024)	(0.004)	0.002

Notes to the financial statements form an integral part of these statements

**AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Unit: Baht

Notes	CONSOLIDATED FINANCIAL STATEMENTS									
	Equity attributable to shareholders of the Company									
	Other component of shareholders' equity									
	Exchange differences on translation of financial statements in foreign currency									
	Issued and paid-up share capital	Premium on shares	Retained earnings (deficit) Appropriated - Legal reserve	Unappropriated reserve	Capital surplus (deficit) from change in shareholding in subsidiaries	Revaluation surplus (deficit) in investment	Total other component of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity
<b>Balance as at December 31, 2017</b>	1,509,871,335	2,579,295,430	16,202,163	(466,912,957)	11,126,856	(21,805,399)	(8,625,983)	3,629,829,988	643,506,195	4,273,336,183
Loss for the year	-	-	-	(144,347,397)	-	-	-	(144,347,397)	4,297,843	(140,049,554)
Other comprehensive income (expense) for the year	-	-	-	(6,322,912)	-	1,908,780	3,634,389	(2,688,523)	118,893	(2,569,630)
Total comprehensive income (expense) for the year	-	-	-	(150,670,309)	-	1,908,780	3,634,389	(147,035,920)	4,416,736	(142,619,184)
Dividend paid	-	-	-	(40,092,775)	-	-	-	(40,092,775)	-	(40,092,775)
Dividend paid for non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	(19,348,079)	(19,348,079)
Appropriation of retained earnings (deficit)	-	-	586,482	(586,482)	-	-	-	-	-	-
Non-controlling interests of the subsidiaries increase due to the investment in subsidiaries	-	-	-	-	-	-	-	-	-	-
Capital increase due to conversion of warrants	68,848,263	481,244,386	-	-	-	-	-	-	40,000,000	40,000,000
<b>Balance as at December 31, 2018</b>	1,578,719,598	3,060,539,816	16,788,645	(658,262,523)	11,126,856	(19,896,619)	(4,991,594)	550,092,649	668,574,852	4,661,368,794

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019

CONSOLIDATED FINANCIAL STATEMENTS											Unit: Baht
Equity attributable to shareholders of the Company											
Other component of shareholders' equity											
Issued and paid-up share capital	Premium on shares	Retained earnings (deficit) Appropriated - Legal reserve	Unappropriated shareholding in subsidiaries	Revaluation surplus (deficit) in investment	on translation of financial statements in foreign currency	Total other component of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total	shareholders' equity	
<b>Balance as at December 31, 2018</b>											
1,578,719,598	3,060,539,816	16,788,645	(658,262,523)	(19,896,619)	3,778,169	(4,991,594)	3,992,793,942	668,574,852	4,661,368,794		
Loss for the year	-	-	(164,960,130)	-	-	-	(164,960,130)	(8,367,478)	(173,327,608)		
Other comprehensive income (expense) for the year	-	-	(149,724)	(2,542,056)	4,286,535	1,744,479	1,594,755	97,021	1,691,776		
Total comprehensive income (expense) for the year	-	-	(165,109,854)	(2,542,056)	4,286,535	1,744,479	(163,365,375)	(8,270,457)	(171,635,832)		
Dividend paid for non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	(11,381,223)	(11,381,223)		
Non-controlling interests of the subsidiaries increase due to the investment in subsidiaries	-	-	-	-	-	-	-	160,000,000	160,000,000		
Capital increase due to conversion of warrants	454	-	-	-	-	-	489	-	489		
<b>Balance as at December 31, 2019</b>											
1,578,719,633	3,060,540,270	16,788,645	(823,372,377)	(22,438,675)	8,064,704	(3,247,115)	3,829,429,056	808,923,172	4,638,352,228		

Notes to the financial statements form an integral part of these statements

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019

		SEPARATE FINANCIAL STATEMENTS					Unit: Baht
	Notes	Issued and paid-up share capital	Premium on shares	Appropriated - Legal reserve	Unappropriated	Total shareholders' equity	
<b>Balance as at December 31, 2017</b>		1,509,871,335	2,579,295,430	16,202,163	48,589,345	4,153,958,273	
Profit for the year		-	-	-	11,729,645	11,729,645	
Other comprehensive expense for the year		-	-	-	(3,581,235)	(3,581,235)	
Total comprehensive income for the year		-	-	-	8,148,410	8,148,410	
Dividend paid	47	-	-	-	(40,092,775)	(40,092,775)	
Capital increase due to conversion of warrants	38	68,848,263	481,244,386	-	-	550,092,649	
Appropriation of retained earnings (deficit)	40	-	-	586,482	(586,482)	-	
<b>Balance as at December 31, 2018</b>		<u>1,578,719,598</u>	<u>3,060,539,816</u>	<u>16,788,645</u>	<u>16,058,498</u>	<u>4,672,106,557</u>	
<b>Balance as at December 31, 2018</b>		1,578,719,598	3,060,539,816	16,788,645	16,058,498	4,672,106,557	
Loss for the year		-	-	-	(26,621,188)	(26,621,188)	
Total comprehensive expense for the year		-	-	-	(26,621,188)	(26,621,188)	
Capital increase due to conversion of warrants		35	454	-	-	489	
<b>Balance as at December 31, 2019</b>		<u>1,578,719,633</u>	<u>3,060,540,270</u>	<u>16,788,645</u>	<u>(10,562,690)</u>	<u>4,645,485,858</u>	

Notes to the financial statements form an integral part of these statements

**AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Unit: Baht**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit (loss) before income tax expense	(165,734,283)	(137,166,329)	(26,621,188)	11,729,645
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid for) operating activities:				
Depreciation and amortization	64,327,880	53,689,774	1,230,575	1,820,116
Bad debt and doubtful accounts	23,638,876	30,659,760	-	-
Gain on changing in fair value of investments in trading securities	-	(54,286)	-	-
Unrealized loss on exchange rate	-	-	5,111,351	2,224,695
Loss (profit) from write-off equipment and intangible assets	(1,559,925)	(527,463)	13	-
Provision for impairment of asset held for sale	1,862,700	1,594,600	-	-
Share of loss from investments in associates	107,032,335	111,188,557	-	-
Long-term employee benefits expenses	7,445,701	1,992,889	3,024,934	682,881
Interest on margin loans income	(77,769,642)	(90,740,655)	-	-
Interest and dividend income	(51,199,546)	(45,960,161)	(42,536,442)	(74,251,942)
Hire purchase and finance lease income	(75,629,775)	(39,045,231)	-	-
Gain on sales of asset for lease	(699,991)	(3,264,936)	-	-
Finance costs	108,112,599	97,815,909	-	-
Loss from operating activities before changes in operating assets and liabilities	(60,173,071)	(19,817,572)	(59,790,757)	(57,794,605)
Operating assets decrease (increase)				
Temporary investments	-	4,074,302	-	-
Receivables from Clearing House and broker-dealers	22,408,315	277,285,153	-	-
Securities and derivatives business receivables	241,792,265	154,413,468	-	-
Factoring receivables	(115,420,925)	341,032,304	-	-
Lease receivables	63,913,676	(250,548,448)	-	-
Hire purchase receivables	(40,052,210)	(483,623,193)	-	-
Loans receivable	(103,754,557)	(44,911,264)	-	-
Other current receivables	(3,954,399)	33,783,259	(118,615)	12,500
Refundable value added tax	(16,715,913)	(32,741,258)	-	-
Other current assets	(24,300,415)	(21,610,909)	(102,390)	(86,415)
Other non-current assets	(6,393,897)	(5,630,342)	(168,888)	-

**AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Unit: Baht**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>				
Operating liabilities increase (decrease)				
Payables to Clearing House and broker - dealers	(69,968,122)	82,772,434	-	-
Securities and derivatives business payables	7,653,180	(583,165,173)	-	-
Other current payables	6,684,856	31,075,856	(127,263)	(631,358)
Retention from factoring	(593,340)	3,632,748	-	-
Excess receipts awaiting to repay	19,422,667	10,724,004	-	-
Other current liabilities	85,236,422	2,188,500	1,272,389	(68,177)
Provision for long-term employee benefits	(13,406,220)	(2,274,850)	(10,262,050)	-
Other non-current liabilities	5,765,176	18,666,859	(110,273)	62,615
Cash paid for operations	(1,856,512)	(484,674,122)	(69,407,847)	(58,505,440)
Cash received from interest and dividend	49,579,040	101,642,995	13,853,108	10,238,935
Cash paid for interest expenses	(116,094,646)	(88,384,896)	-	-
Cash received (paid for) for corporate income tax	(21,001,769)	(21,776,033)	(124,473)	16,811
Net cash used in operating activities	(89,373,887)	(493,192,056)	(55,679,212)	(48,249,694)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash paid for loans to subsidiaries	-	-	(23,087,500)	(478,210,345)
Increase in deposits at financial institutions pledged as collateral	(659,739)	(90)	-	-
Cash paid for investment in subsidiaries	-	-	(90,000,000)	-
Cash paid for other long-term investments	(410,880)	(256,800)	-	-
Cash paid for assets held for sale	(2,407,450)	(6,335,084)	-	-
Cash paid for purchases of equipment and intangible assets	(10,248,749)	(28,960,221)	(197,627)	(870,500)
Dividend received from subsidiaries	-	-	34,342,533	54,893,913
Proceeds from sales of equipment	1,587,423	648,736	-	-
Cash received from sales of asset for lease	700,000	3,264,942	-	-
Cash paid for investment property	(870,155,598)	-	-	-
Cash paid for leasehold and cost of project under development	-	(303,105,536)	-	-
Net cash used in investing activities	(881,594,993)	(334,744,053)	(78,942,594)	(424,186,932)

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash received from (paid for) short-term borrowing from financial institutions	95,000,000	(290,000,000)	-	-
Cash received from long-term borrowing from financial institutions	585,500,000	40,000,000	-	-
Cash paid for liabilities under finance lease agreements	(21,954,335)	(19,170,348)	-	-
Cash received from bills of exchange	601,736,488	2,111,494,587	-	-
Cash paid for bills of exchange	(358,000,000)	(1,910,000,000)	-	-
Cash paid for dividend	-	(40,092,775)	-	(40,092,775)
Cash paid for debt issued	(200,000,000)	-	-	-
Cash received from debt issued	150,000,000	-	-	-
Cash received from increase in capital of subsidiary from non-controlling interest	160,000,000	20,651,915	-	-
Dividend paid to non-controlling interests by subsidiaries	(11,381,223)	(19,348,078)	-	-
Proceeds from advance receipt exercise of warrants	489	550,092,649	489	550,092,649
Net cash provided by financing activities	1,000,901,419	443,627,950	489	509,999,874
Differences on translation of financial statement	4,434,194	1,785,051	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	34,366,733	(382,523,108)	(134,621,317)	37,563,248
Cash and cash equivalents at January 1,	582,381,404	964,904,512	270,400,838	232,837,590
<b>Cash and cash equivalents at December 31,</b>	<b>616,748,137</b>	<b>582,381,404</b>	<b>135,779,521</b>	<b>270,400,838</b>

**Supplemental cash flows information**

Non-cash items

Purchases of equipment recorded as liabilities	37,450	2,608,803	-	-
Purchases of equipment recorded as finance lease liabilities	2,483,568	31,004,646	-	-
Gain (loss) on re-measuring available-for-sale investments - net of income tax	(2,542,056)	1,908,780	-	-
Gain (loss) on remeasurements of defined benefit plans - net of income tax	16,919	(6,642,295)	-	-

Notes to the financial statements form an integral part of these statements

**AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**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) of Thailand on July 7, 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. Securities 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 the company to operate as a financial advisor from December 8, 2014 to December 7, 2019 and from February 6, 2020 to February 5, 2025.

**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 August 25, 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 Limited

AIRA Venture Capital Public 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 Limited

AIRA Asset Management 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 FOR PREPARATION OF THE FINANCIAL STATEMENTS

- 2.1 The Company and its subsidiaries maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards (“TFRS”) and accounting practices generally accepted in Thailand.

The Company’s and its subsidiaries financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2018) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2019 onwards, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2018, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements (No.2) B.E. 2559” dated October 11, 2016.

The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies

## 2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Unit : Percent	
			Percentage of shareholding	
			2019	2018
<b>Held by the Company</b>				
AIRA Securities Plc.	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	96.67
AIRA Property Plc.	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	91.85
AIRA Venture Capital Limited	Venture capital business	Thailand	99.99	99.99
AIRA Asset Management Limited	Asset management	Thailand	99.99	99.99
<b>Held by AIRA Securities Plc.</b>				
AIRA Advisory Co., Ltd.	Financial advisory	Thailand	99.99	99.99
<b>Held by AIRA Property Plc.</b>				
Aspiration One Co., Ltd.	Real estate 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 company 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 shareholders’ equity.
- f) Material balances and transactions between the Company and its subsidiaries 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

Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Company and its subsidiaries have adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. 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 material impact on the Company and its subsidiaries' financial statements. However, the new financial reporting standards which was changed the core principle is Thai Financial Reporting Standard No. 15 "Revenue from Contracts with Customers" ("TFRS 15"). The Group's accounting policies for revenues are disclosed in Note 4.21 to the financial statements. The application of TFRS has no significant impact on the financial position and/or financial performance of the Group.

#### Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. 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 Company and its subsidiaries' management will adopt such TFRSs in the preparation of the Company's financial statements when it becomes effective. The Company and its subsidiaries' management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any material impact on the financial statements of the Company and its subsidiaries in the period of initial application, except the financial reporting standards as follows:

#### Group of Financial Instruments Standards

##### **Thai Accounting Standards ("TAS")**

TAS 32 Financial Instruments: Presentation

##### **Thai Financial Reporting Standards ("TFRS")**

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

##### **Thai Financial Reporting Standard Interpretations ("TFRIC")**

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

#### Thai Financial Reporting Standard No. 16 "Leases"

This TFRS provides a comprehensive model for the identification if lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 "Leases", Thai Accounting Standard Interpretation No.15 "Operating Lease - Incentives", Thai Accounting Standard Interpretation No.27 "Evaluating the Substance of Transactions involving the Legal Form of a Lease" and Thai Financial Reporting Standard Interpretation No.4 "Determining whether on Arrangement contains a Lease".

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term- leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

The Company and its subsidiaries is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

### **4.1 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.

### **4.2 Recognition and amortization 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.

#### 4.3 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 amortized cost. The premium/discount on debt securities is amortized/accreted by the effective rate method with the amortized/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 recognized in profit or loss.

#### 4.4 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.

#### 4.5 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 collateral 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 uncollateralized 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 collateralized 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.

#### 4.6 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	-
Past due up to 3 months	-
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.

#### 4.7 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.

#### 4.8 Loans receivable

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

#### 4.9 Troubled debt restructuring

In cases where the debt restructuring involves modifications of the terms, the fair value of the receivables after restructuring is based on the net present value of expected future cash flows, discounted by the interest rate under the modified terms which forms the basis for making collection from the debtor. Differences between the fair values of receivables as of the restructuring date and their previous book values is recorded in “Revaluation allowance for debt restructuring”, and recognized 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, recognizing adjustments to the allowance against impairment of loan receivable.

#### 4.10 Investment property

Investment property are properties which are held to earn rental income, but not for use in the production or supply of goods or services or for administrative purposes or for sale in the ordinary course of business.

Investment property is stated at cost less depreciation and impairment, if any. Impairment in value is recognized in the statement of income.

Depreciation is calculated by the straight-line method, based on the estimated useful life of assets for which the useful life is estimated by the Company at 31 years.

#### 4.11 Assets held for lease, equipment and depreciation

Assets held for lease equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets, if any.

Depreciation of assets held for lease 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
Vehicles	4 and 5 years
Machinery and equipment	3 - 12 years

Depreciation is included in determining income.

No depreciation is provided on work under installation.

An item of equipment is derecognized 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 derecognized.

#### 4.12 Intangible assets and amortization

Intangible assets acquired through business combination are initially recognized at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognized at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, if any.

Intangible assets with finite lives are amortized 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 amortization period and the amortization method of such intangible assets are reviewed at least at each financial year end. The amortization 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 amortized, 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 recognizes at the present ownership instruments' proportionate share in the recognized 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 recognized 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 recognized 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) estimated net realizable value.

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

Loss on impairment, if any, is recognized as an expense in the statements of profit or loss and other comprehensive income.

#### 4.16 Leasehold and cost of project under development

Leasehold and cost of project under development are stated at cost less accumulated amortization. The subsidiary amortize prepaid rental expenses on a straight-line basis over the rental period.

The amortization of prepaid rental expenses during development of project is capitalized to project under development. After the development of project is completed, the amortization 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, or 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 capitalized 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 recognized 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 recognized 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 recognized as an expense in the statements of profit or loss and other comprehensive income.

#### 4.21 Revenue and expense recognition

For the year ended December 31, 2019, the Group's change the basis according to the adoption of TFRS No. 15 "Revenue from Contracts with Customers". Therefore, the accounting policy for revenue recognition for the years ended December 31, 2019 and 2018 were contrast as below:

a) Brokerage fees

Brokerage fees on securities and derivatives trading are recognized as income when the Company has completed its performance obligation to the customer on the transaction dates.

b) Fees and services income

Underwriting fee income and Arranging fee income

Revenue from underwriting and fund arrangement services are recognized as income when the relevant placing, underwriting or arrangement services activities are completed.

Financial advisory fee income

Financial advisory fee income is recognized when the subsidiary has satisfied its performance obligation over time in providing the promised service to the customer, and recognized based on contractual rate agreed with customers.

Management fees of the subsidiary are calculated as a percentage of the net asset value of the funds managed by the subsidiary and recognized as income when the Company has completed its performance obligation to the customer.

c) Gain (loss) on investments

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

d) Interest and dividend on investments

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

e) Interest on credit balance loans

Interest is recognized 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 less than 3 months for each installment, which principal or interest is overdue more than 3 months.
- (3) Installment loans with repayments scheduled more 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 more than 3 months.

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 recognized in the profit or loss using the effective interest rate method, over the period of contracts of debts being factored.

Fees and services income is recognized point in time when rights have been transferred or when services have been rendered taking into account the stage of completion.

g) Income on finance lease and hire purchase contracts

The subsidiary recognizes income on finance lease and hire purchase contracts over the term of the contracts, using the effective rate method, with income recognized 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 recognized over the period of the contracts period based on a straight-line basis. The subsidiary ceases recognizing income when income payments are in arrears for more than 3 months.

i) Expenses

Expenses are recognized on an accrual basis.

For the year ended December 31, 2018

a) Brokerage fees

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

b) Fees and service income

Fees are recognized as income on an accrual basis and service income is recognized on the basis of percentage of completion, as specified in the service.

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

c) Interest income from factoring

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

d) Income from operating lease contracts

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

#### 4.22 Employee benefits

##### Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognized 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 recognized 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 Company and its subsidiaries calculated 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 recognized immediately in the statements of profit or loss and other comprehensive income.

#### 4.23 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.

#### 4.24 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.

#### 4.25 Provisions

Provisions are recognized 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.

#### 4.26 Share-Based Payment

The Company and its subsidiaries recognized 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 “Capital reserve for share-based payment transactions” in shareholders’ equity.

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

#### 4.27 Income tax

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

##### Current tax

The Company and its subsidiaries recorded 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

The Company and its subsidiaries recorded deferred income tax 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 recognize deferred tax liabilities for all taxable temporary differences while they recognize 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 utilized.

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

#### 4.28 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 maximizes 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 categorized within the fair value hierarchy into three levels based on categorize 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 judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments 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 judgment 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 judgment 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 judgment of the management.

### Recognition and derecognition of assets and liabilities

In considering whether to recognize or to derecognize assets or liabilities, the management is required to make judgment 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 judgments 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 judgment 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.

Past service cost related to the plan amendment is recognized as an expense in the income statement when the plan amendment is effective.

#### Fair value of financial instruments

In determining the fair value of financial instruments recognized 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 recognized in the statement of financial position and disclosures of fair value hierarchy.

#### Deferred tax assets

Deferred tax assets are recognized 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 utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, 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 are summarized 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 Limited	Subsidiary
AIRA Asset Management Limited	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.
Krung Thai Tractor Co., Ltd.	Common directors with AIRA Leasing Plc.
Nok Air Plc.	Common directors

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarized 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
	2019	2018	2019	2018	
<b>Transactions with subsidiaries</b>					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	28,619	64,052	Normal rate declared to ordinary investors
Interest income	-	-	11,574	6,298	Market rate
Other income	-	-	4	-	Agreed upon basis
Other expenses	-	-	50	185	Agreed upon basis
<b>Transactions with associates</b>					
Purchase of bills of exchange	5,123,383	4,939,072	-	-	Market rate

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2019	2018	2019	2018	Transfer Pricing Policy
Transactions with related parties					
Brokerage fees income	137	297	-	-	Normal rate charged to ordinary customers
Fees and services income	8,509	2,050	-	-	Price stated in contract
Rental and service income	429	457	-	-	Price stated in contract
Interest expenses	-	2,500	-	-	Market rate
Premises expenses	5,565	6,012	-	-	Price stated in contract
Other expenses	1,215	1,366	-	-	Agreed upon basis
Purchase of machine and equipment	2,380	6,245	-	-	Agreed upon basis
Transactions with the directors and shareholders of the Company's group					
Sales of bills of exchange	5,249	6,442	-	-	Market rate
Gain on sale of investments	6,319	6,025	-	-	Market rate
Brokerage fees income	10,141	14,561	-	-	Normal rate charged to ordinary customers
Interest expenses	21,722	12,605	-	-	Market rate
Premises expenses	486	486	-	-	Price stated in contract

The balances of accounts between the Company and its subsidiaries and those related parties as at December 31, 2019 and 2018 are as follows;

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
<b>Subsidiaries</b>				
(Eliminated from the consolidated financial statements)				
Short-term loans	-	-	588,222	570,250
Dividend receivable	-	-	28,619	34,343
Interest receivables	-	-	357	289
Other payables	-	-	11	4
<b>Related parties</b>				
Other receivables	1,776	1,857	-	-
Rental deposits	1,148	1,148	-	-
Other payables	88	113	-	-
Factoring payables	-	332	-	-
Subordinated debentures	-	50,000	-	-
Accrued interest expenses	-	630	-	-
<b>Directors and shareholders of the Company's group</b>				
Securities business receivables	415	5,535	-	-
Cash collateral <sup>(1)</sup>	138,492	137,787	-	-
Rental deposits	135	135	-	-
Securities business payables	9,094	346	-	-
Bills of exchange	496,630	248,760	-	-
Subordinated debentures	40,000	60,000	-	-
Accrued interest expenses	504	756	-	-

<sup>(1)</sup> Presentation on "Deposits, notes receivables and government bonds of customers' account of subsidiary" net from "Cash and cash equivalents".

## Loans to related parties

As at December 31, 2019 and 2018, the balance of loans between the Company and those related companies and the movement are as follows;

		SEPARATE FINANCIAL STATEMENTS				Unit : Thousand Baht
Related by		Balance as at December 31, 2018	Increase	Decrease	Translation	Balance as at December 31, 2019
<b>Short-term loans</b>						
AIRA Leasing Public Company Limited	Subsidiary	500,000	-	-	-	500,000
AIRA International Advisory (Singapore) Pte. Ltd.	Subsidiary	70,250	23,087	-	(5,115)	88,222
		<u>570,250</u>	<u>23,087</u>	<u>-</u>	<u>(5,115)</u>	<u>588,222</u>

As at December 31, 2019, short-term loans to AIRA Leasing Public Company Limited of Baht 500 million is unsecured loans, carrying interest at rate of 2% per annum and due at call. (As at December 31, 2018, short-term loans to AIRA Leasing Public Company Limited of Baht 500 million is unsecured loans, carrying interest at rate of 2% per annum and due at call).

The outstanding balance as at December 31, 2019 of short-term loans to AIRA International Advisory (Singapore) Pte. Ltd. of Baht 88.22 million or SGD 4.00 million are unsecured loans, carrying interest at rate of 2% per annum and mature on April 17, 2020. (As at December 31, 2018 of Baht 70.25 million or SGD 3.00 million).

## Bills of exchange to Directors and shareholders of the Company's Group

As at December 31, 2019 and 2018, the balance of bills of exchange between its subsidiary and the subsidiary's shareholders and the movement are as follows:

		CONSOLIDATED FINANCIAL STATEMENTS			Unit : Thousand Baht
Related by		Balance as at December 31, 2018	Increase	Decrease	Balance as at December 31, 2019
Subsidiary's shareholders	Related parties	<u>248,760</u>	<u>1,800,249</u>	<u>(1,542,379)</u>	<u>506,630</u>

## Directors and management's benefits

The Company and its subsidiaries had employee benefit expenses payable to their directors and management during the years ended December 31, 2019 and 2018, are as follows;

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Unit : Thousand Baht
		2019	2018	2019	2018	
Short-term benefits		128,096	124,263	25,028	22,107	
Post-employment benefits		7,551	4,757	4,332	1,944	
Total		<u>135,647</u>	<u>129,020</u>	<u>29,360</u>	<u>24,051</u>	

## 7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2019 and 2018 are as follows;

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Thousand Baht SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Cash, deposits at financial institutions, notes receivables and government bonds with maturity less than three months	727,028	660,908	135,780	270,401
<u>Less</u> Deposits, notes receivables and government bonds of customers' account of subsidiary*	(110,280)	(78,527)	-	-
Total cash and cash equivalents	<u>616,748</u>	<u>582,381</u>	<u>135,780</u>	<u>270,401</u>

\* According to the Notification of the Office of the Securities and Exchange Commission, deposits for customer's account of subsidiary are not required to present as assets and liabilities in the financial statements.

Reconciliation of liabilities arising from financing activities for the years ended December 31, 2019 and 2018 are as follows;

	Unit : Thousand Baht CONSOLIDATED FINANCIAL STATEMENTS			
	As at January 1, 2019	Changes in cash flows		As at December 31, 2019
		Cash received	Cash paid	Non-cash items
Short-term borrowings from financial institutions	2,027,000	95,000	-	-
Bills of exchange	308,348	601,736	(358,000)	226
Liabilities under finance lease agreements	31,005	-	(5,246)	-
Long-term borrowings from financial institutions	40,000	585,500	-	-
Debt issued	200,000	150,000	(200,000)	-

	Unit : Thousand Baht CONSOLIDATED FINANCIAL STATEMENTS			
	As at January 1, 2018	Changes in cash flows		As at December 31, 2018
		Cash received	Cash paid	Non-cash items
Short-term borrowings from financial institutions	2,317,000	-	(290,000)	-
Bills of exchange	99,918	2,111,495	(1,910,000)	6,935
Liabilities under finance lease agreements	43,237	-	(19,170)	6,938
Long-term borrowings from financial institutions	-	40,000	-	-

## 8. TEMPORARY INVESTMENTS

Temporary investments as at December 31, 2019 and 2018 are as follows;

Unit : Thousand Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
	2019		2018	
	Cost	Fair value	Cost	Fair value
<b>Available-for-sale securities</b>				
Listed securities	103,554	78,191	103,554	81,369
<u>Less</u> Valuation adjustment	(25,363)	-	(22,185)	-
Total available-for-sale securities - net	78,191	78,191	81,369	81,369
<b>Held-to-maturity investments</b>				
Government bonds	1,714,429		1,439,121	
<u>Less</u> Deposits for customers' accounts	(1,714,429)		(1,439,121)	
Total held-to-maturity investments - net	-		-	
Total investment - net	78,191		81,369	

Unrealized gain (loss) on re-measuring available-for-sale investments recognized in shareholders' equity

Unit : Thousand Baht		
CONSOLIDATED FINANCIAL STATEMENTS		
	As at December 31, 2019	As at December 31, 2018
Balance - beginning of the year	(19,897)	(21,805)
Changes during the year (net of income tax)		
- Revaluation	(2,542)	1,908
Balance - ending of the year	(22,439)	(19,897)

## 9. RECEIVABLES FROM CLEARING HOUSE AND BROKER - DEALERS

Receivables from clearing house and broker - dealers as at December 31, 2019 and 2018 are as follows;

Unit : Thousand Baht		
CONSOLIDATED FINANCIAL STATEMENTS		
	2019	2018
Receivables from Clearing House	287,777	180,520
Receivables from overseas securities companies	534,584	1,070,373
<u>Less</u> Receivables from Clearing House for customers' account of subsidiary*	(231,584)	(61,380)
Receivables from overseas securities companies for customer's account of subsidiary*	(491,174)	(1,067,502)
Total receivables from Clearing House and broker - dealers	99,603	122,011

\* Receivables from Clearing House for customer's account of subsidiary and receivables from overseas securities companies for customer's account of subsidiary are not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

## 10. SECURITIES AND DERIVATIVES BUSINESS RECEIVABLES

Securities and derivatives business receivables as at December 31, 2019 and 2018 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
<b>Securities business receivables</b>		
Cash accounts	209,610	299,803
Credit balance accounts	1,125,208	1,174,302
Other receivables		
- Installment receivables	-	23,219
- Securities business receivables under litigation	2,132	2,132
Total other receivables	2,132	25,351
Total securities business receivables	1,336,950	1,499,456
<u>Add</u> Accrued interest receivables	6,212	7,728
<u>Less</u> Allowance for doubtful accounts	(2,132)	(2,132)
Total securities business receivables	1,341,030	1,505,052
Total securities and derivatives business receivables	1,341,030	1,505,052

As at December 31, 2019 and 2018, the subsidiary company has its securities and derivatives business receivables of Baht 2.1 million for which it has stopped recognizing income.

As at December 31, 2019 and 2018, a subsidiary has classified its securities and derivatives business receivables and derivatives business receivables and accrued interest receivables in accordance with the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. Kor. Thor. 33/2543, regarding “The accounting preparation for sub-standard receivables of securities companies”, which is updated by Kor. Thor. 5/2544 dated August 25, 2000 and February 15, 2001, respectively, governing accounting for the doubtful debts of securities companies as follows;

	Unit : Million Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	2019			2018		
	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	1,341	-	1,341	1,505	-	1,505
Doubtful debts	2	(2)	-	2	(2)	-
Total	1,343	(2)	1,341	1,507	(2)	1,505

Allowance for doubtful accounts for securities business receivables as at December 31, 2019 and 2018 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
Balance - beginning of the years	2,132	2,132
Balance - ending of the years	<u>2,132</u>	<u>2,132</u>

## 11. FACTORING RECEIVABLES

Factoring receivables as at December 31, 2019 and 2018 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
Factoring receivables	3,079,587	2,898,007
Accrued interest income from factoring	7,801	7,392
Total	<u>3,087,388</u>	<u>2,905,399</u>
<u>Less</u> Factoring payables	(600,565)	(532,378)
Unearned interest income	<u>(18,689)</u>	<u>(16,404)</u>
Total	<u>2,468,134</u>	<u>2,356,617</u>
<u>Less</u> Allowance for doubtful accounts	<u>(69,020)</u>	<u>(64,549)</u>
Factoring receivables - net	<u>2,399,114</u>	<u>2,292,068</u>

The balances of factoring receivables as at December 31, 2019 and 2018, aged on the basis of due dates, are summarized below:

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
Current	2,874,970	2,715,647
Overdue		
Up to 3 months	109,720	93,282
3 - 6 months	4,102	-
Over 6 months	90,795	89,078
Total factoring receivables - unrelated parties	<u>3,079,587</u>	<u>2,898,007</u>

As at December 31, 2019 and 2018, factoring receivables which were overdue for over 6 months presented amounting to Baht 91 million (2018: Baht 89 million) before setting off the amount repayable to the transferor upon settlement of the factored debts amounting to Baht 26 million (2018: Baht 22 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	
	2019	2018
Balance - beginning of the years	64,549	61,431
<u>Add</u> Bad debt and doubtful accounts	8,376	15,327
<u>Less</u> Write off bad debt	(3,905)	(12,209)
Balance - ending of the years	<u>69,020</u>	<u>64,549</u>

## 12. FINANCE LEASE RECEIVABLES

Finance lease receivables as at December 31, 2019 and 2018 are as follows;

	Unit : Thousand Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	Current portion of		Finance lease receivables - net		Total	
	finance lease receivables		of current portion			
	2019	2018	2019	2018	2019	2018
Finance lease receivables	135,366	152,830	324,028	339,937	459,394	492,767
<u>Less</u> Unearned finance income	(24,759)	(25,371)	(27,623)	(27,304)	(52,382)	(52,675)
Total	110,607	127,459	296,405	312,633	407,012	440,092
<u>Less</u> Allowance for doubtful accounts	(196)	(148)	(491)	(419)	(687)	(567)
Finance lease receivables - net	<u>110,411</u>	<u>127,311</u>	<u>295,914</u>	<u>312,214</u>	<u>406,325</u>	<u>439,525</u>

As at December 31, 2019 and 2018, the balances of finance lease receivables (net of unearned finance lease income) are classified by aging as follows:

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
Age of receivables		
Not yet due	326,301	375,520
Past due up to 3 months	80,711	64,572
Total	<u>407,012</u>	<u>440,092</u>
<u>Less</u> Allowance for doubtful accounts	(687)	(567)
Finance lease receivables - net	<u>406,325</u>	<u>439,525</u>

As at December 31, 2019 and 2018, 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			
	2019		2018	
	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 1 year	135,366	110,607	152,830	127,459
After 1 year but not more than 5 years	324,028	296,405	339,937	312,633
Total	459,394	407,012	492,767	440,092
<u>Less</u> Unearned finance lease interest income	(52,382)		(52,675)	
Finance lease receivables - net	407,012		440,092	

### 13. HIRE PURCHASE RECEIVABLES

Hire purchase receivables as at December 31, 2019 and 2018 consist of the following;

	Unit : Thousand Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	Current portion of hire purchase receivables		Hire purchase receivables - net of current portion		Total	
	2019	2018	2019	2018	2019	2018
Hire purchase receivables	259,891	203,093	460,097	421,054	719,988	624,147
<u>Less</u> Unearned hire purchase interest income	(39,684)	(33,006)	(41,524)	(37,209)	(81,208)	(70,215)
Total	220,207	170,087	418,573	383,845	638,780	553,932
<u>Less</u> Allowance for doubtful accounts	(1,039)	(94)	(1,207)	(220)	(2,246)	(314)
Hire purchase receivables - net	219,168	169,993	417,366	383,625	636,534	553,618

As at December 31, 2019 and 2018, the balances of hire purchase receivables (net of unearned hire purchase interest income) are classified by aging as follows;

	Unit : Thousand Baht	
	CONSOLIDATED FINANCIAL STATEMENTS	
	2019	2018
<b>Age of receivables</b>		
Not yet due	530,629	492,486
Past due up to 3 months	104,069	61,446
Past due up 3 to 6 months	4,082	-
Total	638,780	553,932
<u>Less</u> Allowance for doubtful accounts	(2,246)	(314)
Hire purchase receivables - net	636,534	553,618

As at December 31, 2019 and 2018, 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			
	2019		2018
	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 1 year	259,891	220,207	203,093
After 1 year but not more than 5 years	460,097	418,573	421,054
Total	719,988	638,780	624,147
<u>Less</u> Unearned finance lease interest income	(81,208)		(70,215)
Investment in finance lease contracts - net	638,780		553,932

#### 14. LOANS RECEIVABLE

Loans receivable as at December 31, 2019 and 2018 are as follows;

Unit : Thousand Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
	Current portion of loan receivables		Loans receivables - net of current portion		Total
	2019	2018	2019	2018	2019
					2018
Loans receivable	173,341	54,797	14,991	29,781	188,332
<u>Less</u> Allowance for doubtful accounts	(21,263)	(13,010)	(5,835)	(2,500)	(27,098)
Loans receivable - net	152,078	41,787	9,156	27,281	161,234
					69,068

As at December 31, 2019 and 2018, the Company has three loans receivable balance which were restructured factoring receivables by means of modification of terms amounting to Baht 36.42 million and Baht 36.75 million, respectively. However, this restructuring by modification of terms does not result in any loss. Movement of allowance for doubtful accounts of loans receivable are as follows;

Unit : Thousand Baht	
CONSOLIDATED FINANCIAL STATEMENTS	
	2019
	2018
Balance - beginning of the year	15,511
<u>Add</u> Doubtful accounts	11,587
Balance - ending of the year	27,098
	15,510

## 15. OTHER CURRENT RECEIVABLES

Other current receivables as at December 31, 2019 and 2018 are as follows;

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Thousand Baht SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Dividend receivables	-	-	28,619	34,342
Accrued fee income	11,138	7,614	-	-
Employee receivables	15,733	15,908	-	8
Others	3,408	4,424	484	289
Total	<u>30,279</u>	<u>27,946</u>	<u>29,103</u>	<u>34,639</u>

## 16. OTHER CURRENT ASSETS

Other current assets as at December 31, 2019 and 2018 are as follows;

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Thousand Baht SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Prepaid expense	13,220	11,252	754	651
Undued input vat	18,237	9,028	-	-
Withholding taxes	13,116	563	124	90
Other current assets	3,922	1,146	-	-
Total	<u>48,495</u>	<u>21,989</u>	<u>878</u>	<u>741</u>

## 17. INVESTMENTS IN ASSOCIATES

Investments in associates as at December 31, 2019 and 2018 are as follows;

Unit : Thousand Baht							
Company's name	Nature of business	Country of incorporation	CONSOLIDATED FINANCIAL STATEMENTS		Cost		Equity Method
			Shareholding percentage		2019	2018	2019
			2019	2018			2018
			%	%			
AIRA & AIFUL Public Company Limited	Consumer finance	Thai	30	30	1,200,000	1,200,000	651,496
Travellex (Thailand) Limited	The business of foreign currency exchange	Thai	38	38	41,800	41,800	26,933
Total					<u>1,241,800</u>	<u>1,241,800</u>	<u>678,429</u>
							<u>785,529</u>

Unit : Thousand Baht										
Company's name	Nature of business	Country of incorporation	SEPARATE FINANCIAL STATEMENTS							
			Shareholding percentage		Cost		Allowance for Impairment		Book Value Cost Method	
			2019 %	2018 %	2019	2018	2019	2018	2019	2018
AIRA & AIFUL Public Company Limited	Consumer finance	Thai	30	30	1,200,000	1,200,000	-	-	1,200,000	1,200,000
Travelex (Thailand) Limited	The business of foreign currency exchange	Thai	38	38	41,800	41,800	-	-	41,800	41,800
Total					1,241,800	1,241,800	-	-	1,241,800	1,241,800

### AIRA & AIFUL Public Company Limited

On February 24, 2018, 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 May 25, 2018. Its percentage of shareholding in the subsidiary is unchanged.

### Travelex (Thailand) Limited

On September 13, 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 from associates in the separate financial statements as follows;

Company's name	CONSOLIDATED FINANCIAL STATEMENTS				Unit : Thousand Baht	
	Share of loss from investments in associates during the year		Share of other) comprehensive income (loss) from investments in associates during the year		SEPARATE FINANCIAL STATEMENTS Dividend received	
	2019	2018	2019	2018	2019	2018
AIRA & AIFUL Public Company Limited	(100,195)	(106,461)	(85)	379	-	-
Travelex (Thailand) Limited	(6,837)	(4,728)	-	-	-	-
Total	(107,032)	(111,189)	(85)	379	-	-

## Financial information about investments in associates

Information about financial position of investment associates as at December 31, 2019 and 2018 are as follows;

	AIRA & AIFUL Public Company Limited		Unit : Million Baht Travelex (Thailand) Limited	
	2019	2018	2019	2018
Current assets	6,110	6,429	78	93
Non-current assets	87	148	4	2
Current liabilities	(3,538)	(3,501)	(15)	(6)
Non-current liabilities	(239)	(571)	-	-
<b>Net assets</b>	<b>2,420</b>	<b>2,505</b>	<b>67</b>	<b>89</b>
Shareholding percentage (%)	30	30	38	38
<b>Share of net assets</b>	<b>726</b>	<b>752</b>	<b>26</b>	<b>34</b>
<b>Carrying amount of associate based on the equity method</b>	<b>726</b>	<b>752</b>	<b>26</b>	<b>34</b>

Summarized information about comprehensive income for the years ended December 31, 2019 and 2018 are as follows;

	AIRA & AIFUL Public Company Limited		Unit : Million Baht Travelex (Thailand) Limited	
	2019	2018	2019	2018
Revenue	1,861.0	1,730.4	8.3	2.9
Loss	(334.0)	(354.4)	(18.0)	(12.1)
Other comprehensive loss	(0.2)	-	-	-
Total comprehensive loss	(334.2)	(354.4)	(18.0)	(12.1)

## 18. INVESTMENTS IN SUBSIDIARIES

Details of investments in subsidiaries as presented in separate financial statements are as follows;

Company's name	Paid-up		Shareholding		Cost		Unit : Million Baht Dividend received by the Company for the year	
	share capital		percentage					
	2019	2018	2019	2018	2019	2018	2019	2018
			(%)	(%)				
AIRA Securities Plc.	1,100	1,100	99.99	99.99	1,133	1,133	-	15
AIRA Factoring Plc.	400	400	71.55	71.55	584	584	29	49
AIRA International Advisory (Singapore) Pte. Ltd.	37	37	96.67	96.67	36	36	-	-
AIRA Property Plc.	650	500	60.00	60.00	390	300	-	-
AIRA Leasing Plc.	500	500	91.85	91.85	478	478	-	-
AIRA Venture Capital Limited	5	5	99.99	99.99	5	5	-	-
AIRA Asset Management Limited	25	25	99.99	99.99	25	25	-	-
Total					2,651	2,561	29	64

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

Company's name	Proportion of equity interest held by		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests during the year		Unit : Million Baht	
							Dividend paid to non-controlling interests during the year	
	2019 (%)	2018 (%)	2019	2018	2019	2018	2019	2018
AIRA Factoring Plc.	28.45	28.45	150	150	12	14	11	19
AIRA Property Plc.	40.00	40.00	251	195	(3.6)	(3.5)	-	-
Aspiration One Co., Ltd.*	64.00	64.00	368	285	(16.6)	(6.1)	-	-

\* Held by AIRA Property Plc.

Summarized financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarized information about financial position as at December 31, 2019 and 2018 are as follows;

	AIRA Factoring Plc.		AIRA Property Plc.		Unit : Million Baht	
					Aspiration One Co., Ltd.	
	2019	2018	2019	2018	2019	2018
Current assets	2,505	2,438	27	35	51	25
Non-current assets	52	64	601	451	1,957	796
Current liabilities	2,014	1,966	377	0.4	426	41
Non-current liabilities	14	9	0.4	0.2	632	54

Summarized information about comprehensive income as at December 31, 2019 and 2018 are as follows;

	AIRA Factoring Plc.		AIRA Property Plc.		Unit : Million Baht	
					Aspiration One Co., Ltd.	
	2019	2018	2019	2018	2019	2018
Revenue	231	231	0.5	0.6	3	1
Profit (loss)	42	50	(9)	(9)	(26)	(10)
Total comprehensive income (loss)	42	50	(9)	(9)	(26)	(10)

Summarized information about cash flow as at December 31, 2019 and 2018 are as follows;

	AIRA Factoring Plc.		AIRA Property Plc.		Unit : Million Baht	
					Aspiration One Co., Ltd.	
	2019	2018	2019	2018	2019	2018
Cash flow provided by (used in) operating activities	18	390	(9)	(9)	43	7
Cash flow used in investing activities	-	(4)	(149)	(60)	(722)	(303)
Cash flow provided by (used in) financing activities	(68)	(345)	150	-	685	140
Net increase (decrease) in cash and cash equivalents	(50)	41	(8)	(69)	6	(156)

## AIRA Property Public Company Limited

On March 22, 2019, the Annual General Meeting of Shareholders for the year 2019 of AIRA Property Public Company Limited (the “subsidiary”) has approved the increase of registered capital from the original registered capital of Baht 500,000,000 to a new registered capital of Baht 1,000,000,000 by issuing 50,000,000 new ordinary shares with a par value of Baht 10 per share. The first call for payment of the amount is Baht 150,000,000 by May 31, 2019.

On May 31, 2019, the Company invested in the purchase of the paid capital increase shares. The total amount of 9,000,000 shares, equivalent to the value of shares in the amount of Baht 90,000,000.

Altogether, such subsidiary has registered increase of registered capital with Ministry of Commerce from the original registered capital of Baht 500,000,000 to a new registered capital of Baht 1,000,000,000 by issued and paid share capital 650,000,000 ordinary shares on June 6, 2019.

## 19. GOODWILL

As at December 31, 2019 and 2018, 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 in each year.

## 20. OTHER LONG-TERM INVESTMENTS

Other long-term investments as at December 31, 2019 and 2018 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
<b>Other long-term investments</b>		
Equity securities	3,668	3,257
Total other long-term investments	<u>3,668</u>	<u>3,257</u>

## 21. ASSETS HELD FOR LEASE

	Unit : Thousand Baht				
	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2019	Additions	Disposal	Transfer in/ (Transfer out)	Balance as at December 31, 2019
<b>Cost</b>					
Machinery	233,385	9,898	(6,330)	-	236,953
Equipment	275	27	-	-	302
Total cost	<u>233,660</u>	<u>9,925</u>	<u>(6,330)</u>	<u>-</u>	<u>237,255</u>
<b>Accumulated depreciation</b>					
Machinery	(135,661)	(17,788)	6,330	-	(147,119)
Equipment	(259)	(10)	-	-	(269)
Total accumulated depreciation	<u>(135,920)</u>	<u>(17,798)</u>	<u>6,330</u>	<u>-</u>	<u>(147,388)</u>
Assets held for lease	<u>97,740</u>				<u>89,867</u>

Unit : Thousand Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2018	Additions	Disposal	Transfer in/ (Transfer out)	Balance as at December 31, 2018
<b>Cost</b>					
Machinery	243,847	10,655	(21,117)	-	233,385
Equipment	275	-	-	-	275
Total cost	244,122	10,655	(21,117)	-	233,660
<b>Accumulated depreciation</b>					
Machinery	(140,816)	(15,962)	21,117	-	(135,661)
Equipment	(242)	(17)	-	-	(259)
Total accumulated depreciation	(141,058)	(15,979)	21,117	-	(135,920)
Assets held for lease	103,064				97,740
<b>Depreciation for the years ended December 31,</b>					
2019				Thousand Baht	17,798
2018				Thousand Baht	15,979

## 22. INVESTMENT PROPERTY

Investment property as at December 31, 2019 consists of the following (As at December 31, 2018 : Nil):

Unit : Thousand Baht				
	Balance as at January 1, 2019	Increase	Transfer between accounts	Balance as at December 31, 2019
<b>Cost:</b>				
Leasehold	-	-	368,088	368,088
Building and structure	-	-	1,593,954	1,593,954
Total Costs	-	-	1,962,042	1,962,042
<b>Accumulated depreciation:</b>				
Leasehold	-	(1,515)	-	(1,515)
Building and structure	-	(6,559)	-	(6,559)
Total accumulated depreciation	-	(8,074)	-	(8,074)
<b>Total investment property</b>	-			1,953,968
<b>Depreciation for the year ended December 31,</b>				
2019			Thousand Baht	8,074

On November 15, 2019, the Subsidiary transferred entire of leasehold and cost of project under development at cost of Baht 1,962 million from leasehold and cost of project under development to investment property because building is available to use in conformity with the Subsidiary's objective (see Note 26).

## 23. EQUIPMENT

Unit : Thousand Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2019	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2019
<b>Cost</b>					
Leasehold improvements	73,658	490	-	-	74,148
Office equipment	89,990	3,475	(3,150)	-	90,315
Decoration and installation	44,520	37	-	-	44,557
Tools	-	264	-	-	264
Vehicles	55,051	7,442	(7,086)	-	55,407
Total cost	263,219	11,708	(10,236)	-	264,691
<b>Accumulated depreciation</b>					
Leasehold improvements	(35,998)	(7,322)	-	-	(43,320)
Office equipment	(69,962)	(8,857)	3,123	-	(75,696)
Decoration and installation	(32,594)	(3,407)	-	-	(36,001)
Tools	-	(2)	-	-	(2)
Vehicles	(45,459)	(8,287)	7,086	-	(46,660)
Total accumulated depreciation	(184,013)	(27,875)	10,209	-	(201,679)
Work under installation	-	821	-	-	821
<b>Equipment</b>	<u>79,206</u>				<u>63,833</u>

Unit : Thousand Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2018	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2018
<b>Cost</b>					
Leasehold improvements	68,300	2,786	(710)	3,282	73,658
Office equipment	83,814	10,012	(3,836)	-	89,990
Decoration and installation	44,334	418	(232)	-	44,520
Vehicles	57,731	-	(2,680)	-	55,051
Total cost	254,179	13,216	(7,458)	3,282	263,219
<b>Accumulated depreciation</b>					
Leasehold improvements	(29,441)	(7,109)	552	-	(35,998)
Office equipment	(63,355)	(10,413)	3,806	-	(69,962)
Decoration and installation	(28,159)	(4,638)	203	-	(32,594)
Vehicles	(40,526)	(7,520)	2,587	-	(45,459)
Total accumulated depreciation	(161,481)	(29,680)	7,148	-	(184,013)
Work under installation	1,875	1,407	-	(3,282)	-
<b>Equipment</b>	<u>94,573</u>				<u>79,206</u>

### Depreciation for the years ended December 31,

2019	Thousand Baht	<u>27,875</u>
2018	Thousand Baht	<u>29,680</u>

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS				Balance as at December 31, 2019
	Balance as at January 1, 2019	Additions	Disposals	Transfer in/ (Transfer out)	
<b>Cost</b>					
Office equipment	6,137	198	(231)	-	6,104
Decoration and installation	8,435	-	-	-	8,435
Total cost	14,572	198	(231)	-	14,539
<b>Accumulated depreciation</b>					
Office equipment	(4,684)	(596)	231	-	(5,049)
Decoration and installation	(7,608)	(343)	-	-	(7,951)
Total accumulated depreciation	(12,292)	(939)	231	-	(13,000)
<b>Equipment</b>	2,280				1,539

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS				Balance as at December 31, 2018
	Balance as at January 1, 2018	Additions	Disposals	Transfer in/ (Transfer out)	
<b>Cost</b>					
Office equipment	5,597	540	-	-	6,137
Decoration and installation	8,407	28	-	-	8,435
Total cost	14,004	568	-	-	14,572
<b>Accumulated depreciation</b>					
Office equipment	(4,033)	(651)	-	-	(4,684)
Decoration and installation	(6,707)	(901)	-	-	(7,608)
Total accumulated depreciation	(10,740)	(1,552)	-	-	(12,292)
<b>Equipment</b>	3,264				2,280

**Depreciation for the years ended December 31,**

2019	Thousand Baht	939
2018	Thousand Baht	1,552

As at December 31, 2019, 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 117 million (2018: Baht 100 million). The Company only Baht 10 million (2018: Baht 10 million).

## 24. OTHER INTANGIBLE ASSETS

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful life	Balance as at January 1, 2019	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2019
<b>Cost</b>						
Securities license fee	Undefined	129,500	-	-	-	129,500
SET membership fee	Undefined	50,000	-	-	-	50,000
TFEX membership fee	Undefined	15,000	-	-	-	15,000
BEX membership fee	Undefined	1,200	-	-	-	1,200
Computer software	5 - 10 Years	72,636	2,268	-	-	74,904
Total cost		268,336	2,268	-	-	270,604
<b>Amortization</b>						
Securities license fee		(77,957)	-	-	-	(77,957)
SET membership fee		(27,370)	-	-	-	(27,370)
Computer software		(33,720)	(10,581)	-	-	(44,301)
Total accumulated amortization		(139,047)	(10,581)	-	-	(149,628)
Intangible assets under installation		131	-	-	-	131
<b>Other intangible assets</b>		129,420				121,107

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful life	Balance as at January 1, 2018	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2018
<b>Cost</b>						
Securities license fee	Undefined	129,500	-	-	-	129,500
SET membership fee	Undefined	50,000	-	-	-	50,000
TFEX membership fee	Undefined	15,000	-	-	-	15,000
BEX membership fee	Undefined	1,200	-	-	-	1,200
Computer software	5 - 10 Years	52,235	6,401	-	14,000	72,636
Total cost		247,935	6,401	-	14,000	268,336
<b>Amortization</b>						
Securities license fee		(77,957)	-	-	-	(77,957)
SET membership fee		(27,370)	-	-	-	(27,370)
Computer software		(25,685)	(8,035)	-	-	(33,720)
Total accumulated amortization		(131,012)	(8,035)	-	-	(139,047)
Intangible assets under installation		4,201	9,930	-	(14,000)	131
<b>Other intangible assets</b>		121,124				129,420
<b>Amortization for the years ended December 31,</b>						
2019					Thousand Baht	10,581
2018					Thousand Baht	8,035

Unit : Thousand Baht						
SEPARATE FINANCIAL STATEMENTS						
	Useful life	Balance as at January 1, 2019	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2019
<b>Cost</b>						
Computer software	5 - 10 Years	1,557	-	-	-	1,557
Total cost		1,557	-	-	-	1,557
<b>Amortization</b>						
Computer software		(525)	(292)	-	-	(817)
Total accumulated amortization		(525)	(292)	-	-	(817)
<b>Other intangible assets</b>		1,032				740

Unit : Thousand Baht						
SEPARATE FINANCIAL STATEMENTS						
	Useful life	Balance as at January 1, 2018	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2018
<b>Cost</b>						
Computer software	5 - 10 Years	1,448	109	-	-	1,557
Total cost		1,448	109	-	-	1,557
<b>Amortization</b>						
Computer software		(258)	(267)	-	-	(525)
Total accumulated amortization		(258)	(267)	-	-	(525)
<b>Other intangible assets</b>		1,190				1,032

Amortization for end of the years as at December 31,

2019	Thousand Baht	292
2018	Thousand Baht	267

As at December 31, 2019, certain computer software items of subsidiaries have been fully amortized but are still in use. The gross carrying amount before deducting accumulated amortization of those assets amounted to approximately Baht 17 million (2018: Baht 13 million). The Company only Baht 0.2 million (2018: Baht 0.2 million).

## 25. ASSETS HELD FOR SALE

Assets held for sale as at December 31, 2019 and 2018 are as follows;

Unit : Thousand Baht		
CONSOLIDATED		
FINANCIAL STATEMENTS		
	2019	2018
Machinery	11,994	11,994
<u>Less</u> Allowance for impairment loss on assets held for sale	(8,375)	(6,512)
Machinery - net	3,619	5,482

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

## 26. LEASEHOLD AND COST OF PROJECT UNDER DEVELOPMENT

Leasehold and cost of project under development as at December 31, 2019 and 2018 are as follows;

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Remaining periods of leasehold rights (years)	January 1, 2019	Increase	Amortization	Transfer between accounts
Leasehold	31	378,691	-	(10,603)	(368,088)
Cost of project under development		416,309	1,167,042	10,603	(1,593,954)
Total		795,000	1,167,042	-	(1,962,042)

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Remaining periods of leasehold rights (years)	January 1, 2018	Increase	Amortization	Transfer between accounts
Leasehold	32	390,809	-	(12,118)	-
Cost of project under development		101,085	303,106	12,118	-
Total		491,894	303,106	-	-

Cost of project under development on December 31, 2019 and 2018 consist of:

Unit : Thousand Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		2019	2018
Amortized leasehold	-	-	48,309
Office building construction	-	-	312,263
Cost of project design and environmental impact assessment	-	-	33,647
Employee expense	-	-	10,578
Leasehold fees	-	-	4,360
Other expenses of project	-	-	7,152
Total land and cost of project under construction and utilities	-	-	416,309

On March 24, 2016, 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 for the advance rental fee amounting to Baht 218 million. Subsequently on April 27, 2017, the Company entered into the first amendment to land lease agreement with the Crown Property Bureau 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 annual basis to payment for the remaining rental at the date of such amendment amounting to Baht 209 million. The termination date of the lease term was changed to March 31, 2050.

On February 22, 2017, a subsidiary of AIRA Property Public Company Limited (“the subsidiary”) entered into a loan agreement with a financial institution to collateral the leasehold agreement with the Crown Property Bureau to obtain the credit facilities of Baht 1,130 million to fund the development of office buildings for rent. The subsidiary reach an agreement to finalize the conditions of collateral with the bank.

- A) Registration of business collateral as leasehold under the land lease agreement with the Crown Property Bureau, the credit limit in amount of Baht 436,000,000.
- B) Transfer of rights to received payment in accordance with the guarantee of construction advance payment in amount of Baht 73,206,450.
- C) The registration of the first order of the exist building and/or future building in land under leasehold agreement in accordance with A) in the maximum mortgage amount of Baht 1,130,000,000.

On November 15, 2019, the Subsidiary transferred entire of leasehold and cost of project under development at cost of Baht 1,962 million from leasehold and cost of project under development to investment property because building is available to use in conformity with the Subsidiary’s objective (see Note 22).

## 27. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, 2019 and 2018 are as follows;

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Thousand Baht SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Deposits and guarantee	5,788	13,139	1,304	1,135
Clearing Fund	53,772	49,206	-	-
Withholding tax	14,340	7,286	300	211
Other non-current assets	1,462	-	-	-
Total	<u>75,362</u>	<u>69,631</u>	<u>1,604</u>	<u>1,346</u>

## 28. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Short-term borrowings from financial institutions as at December 31, 2019 and 2018 are as follows;

	Interest rate (% per annum)		Unit : Thousand Baht CONSOLIDATED FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Promissory notes	1.75 - 4.20	2.25 - 3.78	<u>2,122,000</u>	<u>2,027,000</u>
Total			<u>2,122,000</u>	<u>2,027,000</u>

As at December 31, 2019 and 2018, the subsidiaries had credit facilities for short-term borrowings 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 assets (Negative pledge) or maintain the financial ratio at the rate prescribed in the agreements, etc.

As at December 31, 2019, the subsidiaries had unused credit facilities totalling Baht 2,148 million (2018: Baht 3,348 million).

## 29. PAYABLES TO CLEARING HOUSE AND BROKER - DEALERS

Payables to clearing house and broker - dealers as at December 31, 2019 and 2018 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
Payables to overseas securities companies	141,239	211,207
Payables to Clearing House and broker - dealers	141,239	211,207

## 30. SECURITIES AND DERIVATIVES BUSINESS PAYABLES

Securities and derivatives business payables as at December 31, 2019 and 2018 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
<b>Securities business payables</b>		
Cash accounts	159,607	151,953
Securities and derivatives business payables	159,607	151,953

## 31. OTHER PAYABLES

Other payables as at December 31, 2019 and 2018 are as follows;

	CONSOLIDATED		Unit : Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2019	2018	2019	2018
Other payables - related parties	224	113	10	4
Other payables - unrelated parties	378,619	79,550	537	609
Accrued marketing staff incentive	4,423	3,334	-	-
Deposits and cheque in transit awaiting to transfer	582	435	33	94
Total	383,848	83,432	580	707

## 32. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Liabilities under finance lease agreements as at December 31, 2019 and 2018 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
Liabilities under finance lease agreements	27,631	33,366
<u>Less</u> Deferred interest expenses	<u>(1,872)</u>	<u>(2,362)</u>
Total	25,759	31,004
<u>Less</u> Current portion	<u>(13,430)</u>	<u>(16,718)</u>
Liabilities under finance lease agreements - net of current portion	12,329	14,286

The subsidiary has entered into the finance lease agreements with leasing companies for rental of machinery, 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		
	2019		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	14,595	13,036	27,631
Deferred interest expenses	<u>(1,165)</u>	<u>(707)</u>	<u>(1,872)</u>
Present value of future minimum lease payments	13,430	12,329	25,759

	Unit : Thousand Baht		
	CONSOLIDATED FINANCIAL STATEMENTS		
	2018		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	18,353	15,013	33,366
Deferred interest expenses	<u>(1,635)</u>	<u>(727)</u>	<u>(2,362)</u>
Present value of future minimum lease payments	16,718	14,286	31,004

As at December 31, 2019, the Company and its subsidiary have future minimum lease payments amounting by Baht 28 million (2018: Baht 45 million) and during 2019 its subsidiary had lease commitments payment and recognized income from lease commitments of Baht 18 million and Baht 13 million, respectively (2018: Baht 19 million and Baht 14 million, respectively).

### 33. BILLS OF EXCHANGE

Bills of exchange as at December 31, 2019 and 2018 are as follows;

	Interest rate (% per annum)		CONSOLIDATED		Unit : Thousand Baht SEPARATE	
			FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018	2019	2018
Bills of exchange	3.00 - 4.75	3.00 - 4.50	556,000	310,000	-	-
Less Prepaid interest expenses			(3,690)	(1,652)	-	-
Total bills of exchange			<u>552,310</u>	<u>308,348</u>	<u>-</u>	<u>-</u>

As at December 31, 2019, the balance of the above bills of exchange of the subsidiary included related parties of Baht 497 million (2018: Baht 249 million).

### 34. SUBORDINATED DEBENTURES

Subordinated debentures as at December 31, 2019 and 2018 are as follows;

Issue date	Number of debentures (shares)	Interest rate per annum	Age	Maturity date	Unit : Thousand Baht CONSOLIDATED	
					FINANCIAL STATEMENTS	
					2019	2018
April 1, 2018	200,000	Year 1 - 3 Fixed rate 5.0%	3 years	April 1, 2019	-	200,000
April 1, 2019	150,000	Year 1 - 3 Fixed rate 5.0%	3 years	April 1, 2022	150,000	-
Total					<u>150,000</u>	<u>200,000</u>

On February 17, 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 April 1, 2016, which is maturity within April 1, 2019.

Subsequently, on April 1, 2019, the subsidiary rolled over certain unsecured debentures in amount of Baht 150 million with interest rate at 5.0% per annum with terms of 3 years, which is maturity within April 1, 2022.

As at December 31, 2019, there is no balance of the above subordinated debentures of the subsidiary included related parties. (As at December 31, 2018: Baht 60 million).

### 35. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, 2019 and 2018 are as follows;

	CONSOLIDATED		Unit : Thousand Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Accrued expenses	501	511	51	49
Withholding taxes	11,762	12,488	1,752	481
Undue out-put rate	1,233	1,021	-	-
Accrued postage fee	3	103	-	-
Accrued special business tax	981	280	-	-
Retention	70,055	-	-	-
Vat payables	4,582	-	-	-
Other current liabilities	2,120	1,845	-	-
Total	<u>91,237</u>	<u>16,248</u>	<u>1,803</u>	<u>530</u>

### 36. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

The long-term borrowings from financial institutions as at December 31, 2019 and 2018 are as follows;

	Interest rate (% per annum)		Unit : Thousand Baht CONSOLIDATED	
			FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Long-term borrowings from financial institutions	MLR - 2.15	MLR - 2.15	625,500	40,000
<u>Less</u> Current Portion of long-term borrowings from a financial institution	MLR - 2.15	MLR - 2.15	<u>(17,500)</u>	<u>-</u>
Total			<u>608,000</u>	<u>40,000</u>

As at December 31, 2019 and 2018, the subsidiary entered into long-term borrowings with a financial institution at the minimum loan rate of a commercial bank less 2.15% and are repayable quarterly instalments with collateral as mentioned in Note 26. And the first instalments of such borrowings fall due in October 2020 and the last instalments of such borrowings fall due in January 2029.

Under such credit facilities, the subsidiary has to comply with certain terms and conditions prescribed in the agreements such as maintain the financial ratio etc (see Note 26). Unutilized credit facilities totalling Baht 474.50 million.

### 37. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

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

	CONSOLIDATED		Unit : Thousand Baht	
	FINANCIAL STATEMENTS 2019	2018	SEPARATE FINANCIAL STATEMENTS 2019	2018
Defined benefit obligation at beginning of years	28,588	18,091	9,357	5,093
Included in profit or loss:				
Current service cost	4,721	3,211	858	508
Interest cost	695	426	189	123
Past service cost	-	1,758	-	52
Included in other comprehensive income:				
Actuarial gain (loss) arising from				
Demographic assumptions changes	137	195	-	29
Financial assumptions changes	4	1,259	-	366
Experience adjustments	(8)	5,828	-	3,186
Benefit paid during the years	(11,509)	(2,180)	(8,284)	-
Defined benefit obligation at ending of years	22,628	28,588	2,120	9,357

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

	CONSOLIDATED		Unit : Thousand Baht	
	FINANCIAL STATEMENTS 2019	2018	SEPARATE FINANCIAL STATEMENTS 2019	2018
Current service cost	4,721	3,211	858	508
Interest cost	695	426	189	123
Past service cost	181	1,758	-	52
Total expenses recognized in profit or loss	5,597	5,395	1,047	683

The subsidiaries expect to pay Baht 2.4 million of long-term employee benefits during the next year (2018: Baht 4.0 million).

As at December 31, 2019, the weighted average duration of the liabilities for long-term employee benefit approximately 3 - 12 years (the Company only: 3 years) (December 31, 2018: 3 - 15 years, the Company only: 3 years).

Principal actuarial assumptions at the valuation date were as follows:

	CONSOLIDATED		Unit : % per annum	
	FINANCIAL STATEMENTS 2019	2018	SEPARATE FINANCIAL STATEMENTS 2019	2018
Discount rate	1.52 - 2.99	1.85 - 2.99	1.85	1.85
Future salary increase rate	3.38 - 5.71	3.38 - 5.71	5.36	5.36
Staff turnover rate (depending on age)	10.0 - 40.0	5.0 - 19.0	19.0	19.0

Sensitivity analysis for significant assumptions that effect to the long-term employee benefit obligation as at December 31, 2019 is summarised below:

	Unit : Thousand Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	Discount rate		Salary increase rate	
	Increase 0.50%	Decrease 0.50%	Increase 0.50%	Decrease 0.50%
Impact on the long-term employee benefit obligation	2,254	3,552	3,654	2,152

	Unit : Thousand Baht			
	SEPARATE FINANCIAL STATEMENTS			
	Discount rate		Salary increase rate	
	Increase 0.50%	Decrease 0.50%	Increase 0.50%	Decrease 0.50%
Impact on the long-term employee benefit obligation	(35)	36	44	(43)

Sensitivity analysis for significant assumptions that effect to the long-term employee benefit obligation as at December 31, 2018 is summarized below:

	Unit : Thousand Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	Discount rate		Salary increase rate	
	Increase 0.50%	Decrease 0.50%	Increase 1.00%	Decrease 1.00%
Impact on the long-term employee benefit obligation	10,375	11,711	11,717	10,333

	Unit : Thousand Baht			
	SEPARATE FINANCIAL STATEMENTS			
	Discount rate		Salary increase rate	
	Increase 0.50%	Decrease 0.50%	Increase 1.00%	Decrease 1.00%
Impact on the long-term employee benefit obligation	9,230	9,382	9,378	9,233

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019, which will be effective after 30 days from the date announced in Royal Gazette. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits. The Company and its subsidiaries reflected the effect of such change by recognizing gain or loss from change in estimate as an expense in the statement of profit or loss and other comprehensive income for the year ended December 31, 2018.

### 38. SHARE CAPITAL

#### Reconciliation of number of share capital

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2019		2018	
	Number of shares Thousand shares	Amount Thousand Baht	Number of shares Thousand shares	Amount Thousand Baht
Registered share capital				
At beginning of year	7,160,000	1,790,000	7,160,000	1,790,000
At ending of year	7,160,000	1,790,000	7,160,000	1,790,000
Issued and paid-up share capital				
At beginning of year	6,314,878	1,578,720	6,039,485	1,509,871
Increase from exercise of warrants	-	-	275,393	68,849
At ending of year	6,314,878	1,578,720	6,314,878	1,578,720

### 39. WARRANTS/CAPITAL RESERVE FOR SHARE-BASED PAYMENT TRANSACTIONS

The details of warrants issued by the Company are as follows:

#### 39.1 AIRA-W1

On June 19, 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 summarized 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	: August 3, 2015
Term of the warrant	: 3 years from the issuance date of warrants
Expiry date	: August 2, 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 : Thousand Units**  
**CONSOLIDATED AND**  
**SEPARATE**  
**FINANCIAL STATEMENTS**

Number of warrants as at December 31, 2019

-

## 39.2 AIRA-W2

On June 19, 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 summarized 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	: August 3, 2015
Term of the warrant	: 4 years from the issuance date of warrants
Expiry date	: August 2, 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 : Thousand Units
	CONSOLIDATED
	AND SEPARATE
	FINANCIAL STATEMENTS
Number of warrants as at January 1, 2019	781,887
Number of warrants as at December 31, 2019	-

## 40. LEGAL 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.

#### 41. INCOME TAX

##### Deferred tax assets (liabilities)

Deferred tax assets (liabilities) for the years ended December 31, 2019 and 2018 are as follows:

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
Deferred tax assets	38,830	33,896
Deferred tax liabilities	(11,863)	(14,028)
Total	<u>26,967</u>	<u>19,868</u>

The movements of deferred tax assets (liabilities) during the years are as follows;

	Unit : Thousand Baht			
	CONSOLIDATE FINANCIAL STATEMENTS			
	Beginning balance as at January 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive Income	Ending balance as at December 31, 2019
Temporary Difference				
Finance lease receivables	17,407	(2,339)	-	15,068
Allowance for doubtful account	12,356	7,016	-	19,372
Allowance for impairment of asset held for sales	1,302	373	-	1,675
Employee benefit obligations	3,696	147	-	3,843
Unrealized loss on changes in investment	5,052	635	-	5,687
Intangible assets	213	322	-	535
Commission fees	227	(540)	-	(313)
Other assets	325	(156)	-	169
Accrued rental	744	(258)	-	486
Liabilities under finance lease agreements	(211)	(37)	-	(248)
Assets depreciation	(4,822)	695	-	(4,127)
Disposal of intangible assets	(18,003)	(24)	-	(18,027)
Tax loss carry forward	1,582	1,265	-	2,847
Total	<u>19,868</u>	<u>7,099</u>	<u>-</u>	<u>26,967</u>

Unit : Thousand Baht

CONSOLIDATE FINANCIAL STATEMENTS

	Beginning balance as at January 1, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive Income	Ending balance as at December 31, 2018
Temporary Difference				
Finance lease receivables	3,048	14,359	-	17,407
Allowance for doubtful account	1,482	10,874	-	12,356
Allowance for impairment of asset held for sales	983	319	-	1,302
Employee benefit obligations	2,537	443	716	3,696
Unrealized loss on changes in investment	5,533	(4)	(477)	5,052
Intangible assets	29	184	-	213
Commission fees	-	227	-	227
Other assets	412	(87)	-	325
Accrued rental	733	11	-	744
Liabilities under finance lease agreements	(561)	350	-	(211)
Assets depreciation	(5,518)	696	-	(4,822)
Disposal of intangible assets	(17,747)	(256)	-	(18,003)
Tax loss carry forward	-	1,582	-	1,582
Total	(9,069)	28,698	239	19,868

The reconciliation between accounting profit (loss) and income tax expense for the years ended December 31, 2019 and 2018 are shown below.

The Company used a tax rate 20% for calculation deferred income tax for the years ended December 31, 2019 and 2018.

Income tax expense for the years ended December 31, 2019 and 2018 consist of the following:

Unit : Thousand Baht

CONSOLIDATED

FINANCIAL STATEMENTS

2019 2018

Current income taxes		
Current income taxes for the years	14,057	31,582
Deferred income taxes		
Relating to origination and reversal of temporary differences	(6,464)	(28,699)
Income tax expense presented in statements of profit or loss and other comprehensive income	7,593	2,883

The Company used tax rate for the years ended December 31, 2019 and 2018 are shown below.

CONSOLIDATE FINANCIAL STATEMENTS				
2019		2018		
Tax rate	Amount	Tax rate	Amount	
%	Thousand Baht	%	Thousand Baht	
Loss before income tax	(165,734)		(137,166)	
Applicable tax rate	20	20	(27,433)	
Deferred tax relating to origination and reversal of temporary differences	7,593		2,883	
Effects of income exempt from tax and non-deductible expenses for tax purpose	32,942		27,433	
Income tax expense presented in the statements of profit or loss and other comprehensive income	2	2	2,883	
SEPARATE FINANCIAL STATEMENTS				
2019		2018		
Tax rate	Amount	Tax rate	Amount	
%	Thousand Baht	%	Thousand Baht	
Profit (loss) before income tax	20	20	11,729	
Applicable tax rate	(5,324)		2,354	
Effects of income exempt from tax and non-deductible expenses for tax purpose	5,324		(2,354)	
Income tax expense (income) presented in the statements of profit or loss and other comprehensive income	-	-	-	

As at December 31, 2019, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 348 million (2018: Baht 332 million) the Company totaling Baht 199 million (2018: Baht 198 million), on which deferred tax assets have not been recognized as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilization of the temporary differences and unused tax losses.

Details of expiry date of unused tax losses are summarized as below:

	Unit : Million Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2019	2018	2019	2018
December 31, 2019	-	66	-	48
December 31, 2020	53	53	31	31
December 31, 2021	41	41	12	12
December 31, 2022	97	97	55	56
December 31, 2023	75	75	51	51
December 31, 2024	82	-	50	-
	348	332	199	198

## 42. BROKERAGE FEES INCOME

Brokerage fees income for the years ended December 31, 2019 and 2018 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
Brokerage fees from securities business	155,550	227,949
Brokerage fees from derivatives business	116,155	96,854
Total	<u>271,705</u>	<u>324,803</u>

## 43. FEES AND SERVICES INCOME

Fees and services income for the years ended December 31, 2019 and 2018 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
Financial advisory	14,555	17,813
Private fund management	1,309	1,550
Service and front-end	47,756	47,294
Others	3,672	1,791
Total	<u>67,292</u>	<u>68,448</u>

## 44. OTHER EXPENSES

Other expenses for the years ended December 31, 2019 and 2018 are as follows;

	CONSOLIDATED		Unit : Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2019	2018	2019	2018
Premises and equipment expenses	94,207	90,863	5,305	5,249
Taxes and duties	18,889	19,610	107	178
Professional fee	11,670	11,995	540	563
Information system expenses	12,875	14,060	478	1,440
Marketing expenses	10,293	13,452	-	-
Transportation expenses	8,059	10,525	1,838	1,756
Provision of impairment for asset held for sale	1,863	1,595	-	-
Loss on exchange rate	5,060	1,950	5,124	2,229
Legal fee	1,885	1,379	-	-
Advisory fee	2,245	2,744	-	-
Stationery and printing expenses	1,438	1,943	72	84
Donation	1,310	583	128	104
Other expenses	7,905	7,163	1,265	1,827
Total	<u>177,699</u>	<u>177,862</u>	<u>14,857</u>	<u>13,430</u>

#### 45. 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. 1987. 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 years ended December 31, 2019 and 2018 were recognized as expenses as follows:

	CONSOLIDATED		Unit : Million Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2019	2018	2019	2018
Contributions to provident funds	12.3	12.1	1.6	1.6

#### 46. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) 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 (loss) per share:

	CONSOLIDATED FINANCIAL STATEMENTS					
	Loss for the year		Weighted average number of ordinary shares		Loss per share	
	2019	2018	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht per shares	Baht per shares
<b>Basic losses per share</b>						
Loss attributable to equity holders of the Company	(164,960)	(144,347)	6,096,275	6,096,275	(0.027)	(0.024)
<b>Effect of dilutive potential ordinary shares</b>						
Warrants			-	2,634		
<b>Diluted losses per share</b>						
Loss attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	(164,960)	(144,347)	6,096,275	6,098,909	(0.027)	(0.024)

	SEPARATE FINANCIAL STATEMENTS					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2019	2018	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Thousand shares	Thousand shares
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	(26,621)	11,730	6,096,275	6,096,275	(0.004)	0.002
<b>Effect of dilutive potential ordinary shares</b>						
Warrants			-	2,634		
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	(26,621)	11,730	6,096,275	6,098,909	(0.004)	0.002

The Company did not have diluted earning per share of AIRA-W2 for the years ended December 31, 2019 due to AIRA - W2 was expired on August 2, 2019 (For the year ended December 31, 2018 due to aggregated amount of the exercise price of AIRA-W2 warrants was higher than the average market price of the Company's ordinary shares).

#### 47. DIVIDENDS PAID

Dividend	Approved by	Dividend	Dividend per share
		Thousand Baht	Baht per share
Dividend paid from the 2018	Annual General Meeting of the shareholders on April 30, 2019	40,092	0.0065

#### 48. COMMITMENTS

As at December 31, 2019 and 2018, 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:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Million Baht SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Payable:				
Up to 1 year	68	52	6	5
In over 1 and up to 5 years	91	78	7	12

- 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 (TSD). 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 4 million (2018: Baht 5 million) relating to the office building improvements and computer and software improvements.
- 7) The subsidiary had not commitments relating to consulting fees and related expenses for the project approximately as at December 31, 2019 (2018: Baht 1,135 million).
- 8) The Company is not committed to pay uncalled portions of its investments in subsidiaries as at December 31, 2019 (2018: Baht 90 million).
- 9) The subsidiary is not committed to pay a called portions of its investment remain in a subsidiary as at December 31, 2019 (2018: Baht 150 million).

#### 49. 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 6 years.

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

	Unit : Million Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	December 31, 2019	December 31, 2018
Up to 1 year	38	40
In over 1 and up to 5 years	36	48

As at December 31, 2019 and 2018, Subsidiary has future minimum sublease payments expects to be received under non-cancellable subleases totaled Baht 28 million and Baht 45 million, respectively. During the year 2019, the subsidiary recognized rental expenses and subleasing revenue of Baht 18 million and Baht 13 million, respectively (2018 : Baht 19 million and Baht 14 million, respectively).

## 50. 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 December 31, 2019 and 2018.

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
For the year ended December 31, 2019							
	Securities business	Advisory and investment banking	Factoring	Rental and service business	Total reportable segments	Adjustments And eliminations	Consolidated financial statements
<b>Revenue from external customers</b>							
Brokerage fees income							
- At a point in time	272	-	-	-	272	-	272
Fees and services income							
- At a point in time	-	2	-	-	2	-	2
- Over time	1	17	47	-	65	-	65
Interest income from factoring							
- Over time	-	-	177	-	177	-	177
Hire purchase and finance lease income							
- Over time	-	-	-	76	76	-	76
Income from operating lease contracts							
- Over time	-	-	-	48	48	-	48
<b>Total revenue from external customers</b>	<b>273</b>	<b>19</b>	<b>224</b>	<b>124</b>	<b>640</b>	<b>-</b>	<b>640</b>
Gains and return on financial instruments	7	-	-	-	7	-	7
Interest income	121	-	4	5	130	(40)	90
Interest expenses	(33)	(2)	(55)	(30)	(120)	12	(108)
Depreciation and amortization	(25)	(1)	(5)	(22)	(53)	(3)	(56)
Other expenses	(123)	(8)	(54)	(25)	(210)	-	(210)
<b>Segment profit (loss)</b>	<b>220</b>	<b>8</b>	<b>114</b>	<b>52</b>	<b>394</b>	<b>(31)</b>	<b>363</b>
<b>Unallocated revenue and expenses</b>							
Interest income							38
Other income							7
Interest expenses							(4)
Operating expenses							(462)
Share of loss from investment in associates							(107)
Income tax expenses							(8)
<b>Loss for period</b>							<b>(173)</b>

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018

	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	314	19	228	96	657	-	657
Inter-segment revenue	64	-	-	-	64	(64)	-
Interest revenue	103	-	3	1	107	(7)	100
Interest expenses	(26)	(1)	(54)	(11)	(92)	6	(86)
Depreciation and amortization	(13)	(1)	(4)	(17)	(35)	(3)	(38)
Other expenses	(297)	(34)	(120)	(57)	(508)	-	(508)
<b>Segment profit (loss)</b>	<b>145</b>	<b>(17)</b>	<b>53</b>	<b>12</b>	<b>193</b>	<b>(68)</b>	<b>125</b>
<b>Unallocated revenue and expenses</b>							
Interest revenue							23
Other revenue							11
Interest expenses							(12)
Operating expenses							(173)
Share of loss from investment in associates							(111)
Income tax expenses							(3)
<b>Loss for the year</b>							<b>(140)</b>

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

	Securities and investment business	Advisory and investment banking	Factoring	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
<b>Segment assets</b>							
As at December 31, 2019	4,575	33	2,557	1,539	8,704	360	9,064
As at December 31, 2018	3,849	27	2,503	1,240	7,619	276	7,895

### Geographic information

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

Unit : Million Baht

CONSOLIDATED  
FINANCIAL STATEMENTS  
2019 2018

Revenue from external customers		
Thailand	781	805
Singapore	2	1
<b>Total</b>	<b>783</b>	<b>806</b>

### Major customers

For the years 2019 and 2018, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenue.

## 51. FAIR VALUE HIERARCHY

The fair value disclosures of financial instruments, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

Financial assets and financial liabilities measured at fair value

Certain financial assets and financial liabilities of the Company are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

	Unit : Thousand Baht		
	CONSOLIDATED		
	FINANCIAL STATEMENTS		
	Fair value		
	As at	As at	Fair value
	December 31,	December 31,	hierarchy
	2019	2018	
<u>Financial assets</u>			
Available-for-sale investments			
Listed securities	78,191	81,369	1

Financial instruments not measured at fair value

Fair value of financial instruments which are not measured at fair value and their fair value hierarchy level classification is summarized as follows:

	Unit : Thousand Baht		
	CONSOLIDATED		
	FINANCIAL STATEMENTS		
	As at December 31, 2019		
	Carrying	Fair value	Fair value
	Amount		hierarchy
<u>Financial assets</u>			
Cash and cash equivalents	616,748	616,748	3
Temporary investment	78,191	78,191	3
Receivable from Clearing House and broker - dealers	99,603	99,603	3
Securities and derivatives business receivables	1,341,030	1,341,030	3
Factoring receivables	2,399,114	2,399,114	3
Finance receivables	406,325	406,325	3
Hire purchase receivables	636,533	636,533	3
Loans receivable	161,234	161,234	3
<u>Financial liabilities</u>			
Borrowings from financial institutions	2,122,000	2,122,000	3
Payable from Clearing House and broker - dealers	141,239	141,239	3
Securities and derivatives business payables	159,607	159,607	3
Excess receipts awaiting to repay	67,247	67,247	3
Liabilities under finance lease agreements	25,759	25,759	3
Bills of exchange	552,310	552,310	3
Subordinated debentures	150,000	150,000	3
Retention from factoring	40,292	40,292	3

**Unit : Thousand Baht**  
**CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**As at December 31, 2018**

	<b>Carrying Amount</b>	<b>Fair value</b>	<b>Fair value hierarchy</b>
<u>Financial assets</u>			
Cash and cash equivalents	582,381	582,381	3
Temporary investment	81,369	81,369	3
Receivable from Clearing House and broker - dealers	122,011	122,011	3
Securities and derivatives business receivables	1,505,052	1,505,052	3
Factoring receivables	2,292,068	2,292,068	3
Finance receivables	439,525	439,525	3
Hire purchase receivables	553,618	553,618	3
Loans receivable	69,067	69,067	3
<u>Financial liabilities</u>			
Borrowings from financial institutions	2,027,000	2,027,000	3
Payable from Clearing House and broker - dealers	211,208	211,208	3
Securities and derivatives business payables	151,953	151,953	3
Excess receipts awaiting to repay	47,824	47,824	3
Liabilities under finance lease agreements	31,005	31,005	3
Bills of exchange	308,348	308,348	3
Subordinated debentures	200,000	200,000	3
Retention from factoring	40,885	40,885	3

**Unit : Thousand Baht**  
**SEPARATE**  
**FINANCIAL STATEMENTS**  
**As at December 31, 2019**

	<b>Carrying Amount</b>	<b>Fair value</b>	<b>Fair value hierarchy</b>
<u>Financial assets</u>			
Cash and cash equivalents	135,780	135,780	3
Short-term loan to related parties	588,222	588,222	3

**Unit : Thousand Baht**  
**SEPARATE**  
**FINANCIAL STATEMENTS**  
**As at December 31, 2018**

	<b>Carrying Amount</b>	<b>Fair value</b>	<b>Fair value hierarchy</b>
<u>Financial assets</u>			
Cash and cash equivalents	270,401	270,401	3
Short-term loan to related parties	570,250	570,250	3

The fair values of the financial assets and financial liabilities above are considered to be the approximation of their respective carrying value since the fair values are predominantly subject to market interest rate and mature in the short-term except general investments in equity securities which use net asset value of invested company.

## Fair values of financial instruments

The methods and assumptions used by the Company and its subsidiaries in estimating the fair values 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, temporary investments, receivables from Clearing House and broker-dealers, securities and derivatives business receivables, factoring receivables, finance lease receivables, hire purchase receivables, loans receivable, short-term loans from financial institutions, payable to Clearing House and broker-dealers, securities and derivatives business payables, excess receipts awaiting the repay, liabilities under finance lease agreements, bills of exchange, subordinated debentures 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.
- d) During the current year, there were no transfers within the fair value hierarchy.

## 52. FINANCIAL INSTRUMENTS

### 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, temporary investments, receivables from Clearing House and broker-dealers, securities and derivatives business receivables, factoring receivables, finance lease receivables, hire purchase receivables, loans receivable, short-term loans from financial institutions, payables to Clearing House and broker-dealers, securities and derivatives business payables, excess receipts awaiting to repay, liabilities under finance lease agreements, subordinated debentures, bills of exchange and retention from factoring. The financial risks associated with these financial instruments and how they are managed are 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 and broker-dealers, securities and derivatives business receivables, factoring receivables, finance lease receivables, hire purchase receivables and loans receivable. The management manages the credit risk with respect to deposits at financial institutions, receivables from Clearing House and broker-dealers, securities and derivatives business receivables, factoring receivables, finance lease receivables, hire purchase receivables and loans receivables by setting up various measures to evaluate credit risks of all new customers when apply for new accounts to determine 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 by considering 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 factoring receivables, financial lease receivable, hire purchase receivables and loans receivables 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:

	CONSOLIDATED		Unit : Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2019	2018	2019	2018
<b>Financial assets</b>				
Cash and cash equivalent	616,748	582,381	135,780	270,400
Receivables from Clearing House and broker-dealers	99,603	122,011	-	-
Securities and derivatives business receivables	1,341,030	1,505,052	-	-
Factoring receivables	2,399,114	2,292,068	-	-
Finance lease receivables	406,325	439,525	-	-
Hire purchase receivables	636,533	553,618	-	-
Loans receivable	161,234	69,067	-	-
Loans to related parties	-	-	588,222	570,250
Other receivables	18,660	20,563	29,103	34,639
Restricted deposit	7	3	-	-

## 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, 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 December 31, 2019 and 2018 classified by type of interest rates are summarized 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 December 31, 2019

	Outstanding balances of financial instruments						Effective interest rate		
		Fixed interest rate				No	Total	Floating	Fixed
	Floating	Repricing or maturity dates				interest		rate	rate
	interest	At call	Within	1 - 5 years	Over 5			(Percent per annum)	
	rate		1 year		years				
<b>Financial assets</b>									
Cash and cash equivalents	470	-	100	-	-	47	617	0.25 - 1.12	1.50
Temporary investment	-	-	-	-	-	-	-	-	-
Receivables from Clearing House and broker-dealers	100	-	-	-	-	-	100	-	-
Securities and derivatives business receivables	1,131	-	-	-	-	210	1,341	5.20 - 18.00	-
Factoring receivables	-	-	2,399	-	-	-	2,399	-	5.85 - 15.00
Finance lease receivables	-	-	110	296	-	-	406	-	5.35 - 9.50
Hire purchase receivables	-	-	219	417	-	-	636	-	2.68 - 11.53
Loans receivable	-	-	152	9	-	-	161	-	5.00 - 15.00
<b>Financial liabilities</b>									
Short-term loans from financial institutions	1,852	210	60	-	-	-	2,122	-	1.75 - 4.20
Payables to Clearing House and broker-dealers	-	-	-	-	-	141	141	-	-
Securities and derivatives business payables	-	-	-	-	-	160	160	-	-
Excess receipts awaiting to pay	-	-	-	-	-	67	67	-	-
Liabilities under finance lease agreements	-	-	13	12	-	-	25	-	4.37 - 13.32
Bills of exchange	-	-	552	-	-	-	552	-	3.00 - 4.75
Subordinated debentures	-	-	-	150	-	-	150	-	5.00
Retention from factoring	-	-	-	-	-	40	40	-	-

Unit : Million Baht

## CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

	Outstanding balances of financial instruments						Total	Effective interest rate	
	Floating interest rate	Fixed interest rate				No interest		Floating rate	Fixed rate
		Repricing or maturity dates							
		At call	Within 1 year	1 - 5 years	Over 5 years				
(Percent per annum)									
<b>Financial assets</b>									
Cash and cash equivalents	472	-	35	-	-	76	583	0.375 - 1.10	1.00 - 1.45
Temporary investment	-	-	-	-	-	81	81	-	-
Receivables from Clearing House and broker-dealers	-	-	-	-	-	122	122	-	-
Securities and derivatives business receivables	1,205	-	-	-	-	300	1,505	5.50 - 18.00	-
Factoring receivables	-	-	2,292	-	-	-	2,292	-	5.85 - 15.00
Finance lease receivables	-	-	-	440	-	-	440	-	5.35 - 9.00
Hire purchase receivables	-	-	-	554	-	-	554	-	2.68 - 9.31
Loans receivable	-	-	42	27	-	-	69	-	5.00 - 8.50
<b>Financial liabilities</b>									
Short-term loans from financial institutions	1,817	210	-	-	-	-	2,027	-	2.25 - 3.78
Payables to Clearing House and broker-dealers	-	-	-	-	-	211	211	-	-
Securities and derivatives business payables	-	-	-	-	-	152	152	-	-
Excess receipts awaiting to pay	-	-	-	-	-	47	47	-	-
Liabilities under finance lease agreements	-	-	-	31	-	-	31	-	5.00
Bills of exchange	-	-	308	-	-	-	308	-	3.00 - 4.50
Subordinated debentures	-	-	200	-	-	-	200	-	5.00
Retention from factoring	-	-	-	-	-	41	41	-	-

Unit : Million Baht

## SEPARATE FINANCIAL STATEMENTS

As at December 31, 2019

	Outstanding balances of financial instruments							Effective interest rate	
	Floating interest rate	Fixed interest rate				No interest	Total		
		Repricing or maturity dates							
		At call	Within 1 year	1 - 5 years	Over 5 years				
		(Percent per annum)							
Financial assets									
Cash and cash equivalents	136	-	-	-	-	-	136	0.38 - 1.25	-
Loans to related parties	-	500	88	-	-	-	588	-	2.00

Unit : Million Baht

## SEPARATE FINANCIAL STATEMENTS

As at December 31, 2018

	Outstanding balances of financial instruments								
	Floating interest rate	Fixed interest rate				No interest	Total	Effective interest rate	
		Repricing or maturity dates						Floating rate	Fixed rate
		At call	Within 1 year	1 - 5 years	Over 5 years				
Financial assets									
Cash and cash equivalents	270	-	-	-	-	1	271	0.38 - 1.10	-
Loans to related parties	-	500	70	-	-	-	570	-	2.00

## 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 their 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 December 31, 2019 and 2018, 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 December 31, 2019 and 2018 are as follows:

Unit : Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
As at December 31, 2019						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash and cash equivalents	526	91	-	-	-	617
Receivables from Clearing House	-	100	-	-	-	100
Securities and derivatives business receivables	-	210	-	-	1,131	1,341
Factoring receivables	-	2,399	-	-	-	2,399
Finance lease receivables	-	110	296	-	-	406
Hire purchase receivables	-	219	417	-	-	636
Loans receivable	-	152	9	-	-	161
<b>Financial liabilities</b>						
Short-term loans from financial institutions	210	1,912	-	-	-	2,122
Payables to Clearing House	-	141	-	-	-	141
Securities and derivatives business payables	-	160	-	-	-	160
Excess receipts awaiting to repay	-	-	-	-	67	67
Liabilities under finance lease agreements	-	13	12	-	-	25
Bills of exchange	-	552	-	-	-	552
Subordinated debentures	-	-	150	-	-	150
Retention from factoring	-	40	-	-	-	40

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

Outstanding balances of financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash and cash equivalents	548	35	-	-	-	583
Short-term investments	-	-	-	-	81	81
Receivables from Clearing House	-	122	-	-	-	122
Securities and derivatives business receivables	-	300	-	-	1,205	1,505
Factoring receivables	-	2,292	-	-	-	2,292
Finance lease receivables	-	128	312	-	-	440
Hire purchase receivables	-	170	384	-	-	554
Loans receivable	-	69	-	-	-	69
<b>Financial liabilities</b>						
Short-term loans from financial institutions	210	1,817	-	-	-	2,027
Payables to Clearing House	-	211	-	-	-	211
Securities and derivatives business payables	-	152	-	-	-	152
Excess receipts awaiting to repay	-	-	-	-	47	47
Liabilities under finance lease agreements	-	17	14	-	-	31
Bills of exchange	-	308	-	-	-	308
Subordinated debentures	-	200	-	-	-	200
Retention from factoring	-	41	-	-	-	41

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2019

Outstanding balances of financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash and cash equivalents	136	-	-	-	-	136
Loans to related parties	500	88	-	-	-	588

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2018

Outstanding balances of financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash and cash equivalents	271	-	-	-	-	271
Loans to related parties	500	70	-	-	-	570

## 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 December 31, 2019 and 2018, the Company and its subsidiaries have balances of financial assets and liabilities denominated in foreign currencies are summarized below.

Foreign currency	CONSOLIDATED FINANCIAL STATEMENTS			
	Financial assets		Average exchange rate	
	2019	2018	2019	2018
			Baht per foreign currency unit	
United State Dollars	121,207	64,870	29.9766	32.2848

Foreign currency	SEPARATE FINANCIAL STATEMENTS			
	Financial assets		Average exchange rate	
	2019	2018	2019	2018
			Baht per foreign currency unit	
Singapore Dollars	4,000,000	3,000,000	22.0554	23.4165

## 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.

## 53. 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 maximize shareholder value. As at December 31, 2019, the Group's debt-to-equity ratio was 0.96:1 (2018: 0.69:1) and the Company's was 0.001:1 (2018: 0.002:1).

#### 54. RECLASSIFICATION

A component of consolidated financial statements as at December 31, 2018 of its subsidiary has reclassified for this period. The reclassifications had no effect to previously reported profit (loss) or shareholders' equity. Reclassified certain account is as follows:

Transaction	Presentation in prior period	Presentation in current period	Amount Baht
Refundable value added tax	Other current assets	Refundable value added tax	12,787,000

#### 55. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on February 26, 2020.



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