

ANNUAL REPORT 2020

AIRA CAPITAL PUBLIC COMPANY LIMITED

www.airacapital.co.th

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"Investors can access the Company's information from the annual registration (Form 56-1) at the SET website; www.sec.or.th and the company website; 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

Shareholders :	To create highest return to shareholders and continuous growth by adjusting the strategic plan to suit with the market condition by applying the expertise and the new innovation to suit with the business
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 highest satisfaction to customers by adhering to the effective and integrated work administration and the good governance
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"> ● March ● May ● August ● September | <p>New subsidiary setting up</p> <p>AIRA Asset Management Company 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.</p> <p>Additional investment in ordinary shares of an associate</p> <p>The Company invested in the additional ordinary shares of AIRA & AIFUL Public Company Limited (“A&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.</p> <p>Additional investment in ordinary shares of a subsidiary</p> <p>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%.</p> <p>Additional investment in ordinary shares of a subsidiary</p> <p>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%.</p> |
| 2018 | <ul style="list-style-type: none"> ● August | <p>Expiration of Warrants issued by the Company</p> <p>AIRA Capital Public Company Limited's 1st lot Warrants allotment “AIRA-W1” had reached its expiry date. The last exercise date was 2 August 2018 with 52,270,310 unexercised units.</p> |
| 2019 | <ul style="list-style-type: none"> ● | <p>AIRA Capital Public Company Limited's Recognitions</p> <p>1. AIRA Capital Public Company Limited is being certified as a member of Collective Action Coalition Against Corruption (CAC).</p> |

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 50 % of the rental area at the end of 2020.

2020 • AIRA Property Public Company Limited established the subsidiary, Aspiration Two Company Limited (“ASP2”), on 19 March 2020. AIP held 90 percent shares. Currently, ASP2 has the authorized capital of 10 million baht, which is divided into 1,000,000 common shares for 10 baht per share. The paid authorized capital is 10 million baht to do a real estate business with recurring income.

- AIRA Capital Public Company Limited agreed to sell some shares in AIRA Leasing Public Company Limited to business partner from Japan, NEC Capital Solutions Limited, which held 100 million shares mutually or 20 percent of authorized capital. Currently, AIRA Capital Public Company Limited holds 71.85 percent of shares in AIRA Leasing Public Company Limited.

- AIRA Asset Management Company Limited has received the business license for securities and future contract from the Ministry of Finance under the supervision of the Office of Securities and Exchange Commission (SEC Office) to do a private fund management business, including being a fund manager and future contract advisor

ACTIVITIES IN 2020



Spring Tower, Ratchathewi's New Landmark

On 22 January 2020, AIRA Capital Public Company Limited, AIRA Property Public Company Limited and Aspiration One Company Limited had arranged the opening ceremony of Spring Tower, Grade A building for rent, at Ratchathewi Intersection, a new economic zone with the growing prospective. Prasert Bunsumpun, Chairman of AIRA Property Public Company Limited; Naline Ngamsetthamas, Chief Executive Officer of AIRA Capital Public Company Limited; and Chairman of Aspiration One Company Limited had welcomed the honorable guests who had come to express their congratulations, such as Sunsum Jurangkool ; Asst. Prof. Dr. Kessara Thanyalakpark, Deputy Chief Executive Officer of Sena Development Public Company Limited; M.D. Cherdasak Ampornsuksakul, Managing Director of Saengfah Construction Company Limited; Mr. Chang-Su Rue, CEO & Vice Chairman of Eugene Investment & Securities Co., Ltd., Mr. Takahiro Uchida, Executive Officer of Kennedix Inc., and Pakorn Malakul Na Ayudhya.



Big Move in Taking Thai Millionaire Abroad

Nalinee Ngamsetthamas, Chief Executive Officer of AIRA Capital Public Company Limited or AIRA, expressed her congratulations in the occasion that Pairoj Laungthaleongpong (2nd from the right), Chief Executive Officer of AIRA Securities Public Company Limited or “AS” had signed the MOU via VDO conference with Mr. Roger Hartmann, Board Member of FUCHS & Associés Finance (Suisse) S.A. or FUCHS, the world’s leading family wealth planning service from Geneva, Switzerland for being an alliance in taking the Thai investors with high net worth to make an investment to create wealth and stability in family assets in world class level. AIRA Securities is ready to increase its potential in providing the consultation service on assets management and investment for family and personal business group. The target customer group is family business group with the interest to invest or want to move the investment portfolio to foreign countries. At the same time, investors of FUCHS that want to invest in Thailand can use the service through AS.

NEC, Japan's Big Co-operation to become Business Alliance

AIRA Capital Public Company Limited ("AIRA") by Anant Sirisaengtaksin and Kongkeaw Piamduaytham, Authorized Director, had signed in the Share Sale and Purchase Agreement that AIRA Leasing Public Company Limited or "AIRA" is holding to NEC Capital Solution Limited ("NECAP"), the listed company in Tokyo Stock Exchange, Japan for 20% of the registered capital of 500 million baht with Tomo Imazeki, President and Kobayashi Tutsiru as Authorized Director.

Saravut Laohapongchana, Shareholder; Nalinee Ngamsetthamas, Chief Executive Officer; Sampan Chanaburanasak; Deputy Chief Executive Officer of AIRA; Okada Atsuchi, Executive Officer and Takano Shunichiro of NECAP are presence as witnesses.



CORPORATE SOCIAL RESPONSIBILITY

The Company is aware of the importance in being a part of society and is ready to support the society, community and environment, which emphasizes on providing educational support to children and youth that are the important forces of the nation in the future; providing knowledge about finance and investment, which is the Company's expertise; implanting the youth about financial literacy and basic knowledge on savings and proper money management since youth; practicing the spending and savings in order to use the existing knowledge in a long run; building a stability and safety to oneself and family members to develop one's own society and applying the knowledge to the society.

"AIRA" arranged the 6th AIRA for Society to Sustainable Development



Mr. Suttiporn Tanthikul, Managing Director, together with the Executives and employees of AIRA Capital Public Company Limited or AIRA had arranged the social activity under the project, "The 6th AIRA for Society to Sustainable Development". The Company had provided the teaching aids as well as sports equipment for teachers and students to improve the youth's abilities. Moreover, the Executives and employees had done the recreational activities with students as well as providing lunch and backyard garden plot for teachers and students for food preparation. This was the giving of happiness, opportunity and good life quality to the youth of the nation at Wat Khok Sang "Pracha Nu Kun" School, Khok Muang Sub-District, Pha Chi District, Phra Nakhon Si Ayutthaya Province on 3 December 2020.

Apart from emphasizing on providing educational support to children and youth, the Company and affiliations of AIRA Group are also aware of social responsibility in other aspects.

Teaching Materials for Visually Impaired Person

The employees of AIRA Capital Public Company Limited had collected old desk calendars to make teaching materials for visually impaired person, and increase the opportunity in the living of visually impaired person as a way to use resources valuably, reduce quantity of wastes, and implant the conscious in the development of economy, society, community and environment sustainably by donating to Foundation of the Blind in Thailand under the Royal Patronage of H.M. the Queen. Anyone who is interested can contact the Foundation directly at 02 354 8365.



For White Warrior

AIRA and AIFUL Public Company Limited, Associated Company, made a contribution to “White Warrior of COVID-19” to Medical Association of Thailand by transferring the money to the donation account as a part of contribution for the issuance of life insurance for doctors and nurses nationwide who take care and treat patients with COVID-19 as well as acting as reserved fund to purchase necessary medical supplies for the operation.



MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER



Mr. Prasert Bunsumpun
Chairman of the Board of Director

Mrs. Naline Ngsamsetthamas
Chief Executive Officer

Dear Shareholders

Since the beginning of the year 2020, the COVID-19 pandemic has severely impacted the economic system and overall business operation. The management of AIRA Capital Public Company Limited (“the Company”) has closely monitored the situation, reviewed and adjusted its business strategy accordingly. These help to manage the high efficient operation cost and be able to expand business channel by using new technology and innovative tools. As a result, the Company and its subsidiaries maintained the revenue growth rate and expansion according to their target.

This progress and achievement in driving the organization tirelessly and effectively is leading us to a positive image of corporate identity, trustworthiness, as well as trust from investors and financial institutions, especially from the off-shore investors, with many foreign financial investors expressed their interest in partnering with the Company through joint-investment in each subsidiary companies, such as the signing of Co-operation Agreement between AIRA Securities Public Company Limited and Fuchs & Associe’s Finance S.A., Switzerland’s leading wealth management company. This co-operation greatly increases AIRA Securities Public Company Limited’s potential and lifts its services to the world-class standard.

Moreover, in December 2020, NEC Capital Solutions Limited, a listed company in Tokyo, Japan, has recently partnered with AIRA Capital Public Company Limited through joint-investment in AIRA Leasing Public Company Limited. This co-operation provides more business opportunities to AIRA Leasing Public Company Limited .

According to the form of business partnership with international financial institutions, the Company and its subsidiaries are able to strengthen their business and finances, leading the Company and the subsidiaries to have better business performances, business growth and expansion consistently as planned. Therefore, the Company is capable of paying the dividend for its operation in 2020 to shareholders.

Amidst the recent economic crisis and COVID-19 pandemic situation resulting in significant global economic disruption, the Company committee would like to express our sincere gratitude to all executives and employees for always striving to work with full responsibilities and keeping the Company's growth according to the Company's framework. We would like to express our deepest thanks to our shareholders, business partners, investors, clients, as well as any other related people in all mentioned groups for their support and trust given to the Company through this tough time. The Company will continue with its best endeavors to increase its profit in order to generate more return to shareholders and improve quality of our employees life in order to create economic value, stability, and sustainability to overall national economy and society.

Mr. Prasert Bunsumpun
Chairman of the Board of Director

Mrs. Nalinee Ngamsetthamas
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, which consists of four directors as follows;

- | | |
|----------------------------------|----------------------------------|
| 1. Mrs. Naline Ngamsetthamas | Chairman of Investment Committee |
| 2. Mr. Prinya Waiwatana | Investment Committee Member |
| 3. Mr. Wisoot Karnchanapunyapong | Investment Committee Member |
| 4. Mr. Pairoj Laungthaleongpong | Investment Committee Member |

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 2020, 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. Naline Ngamsetthamas
Chairman of the Investment Committee

REPORT OF THE RISK MANAGEMENT COMMITTEE

To Shareholders

The Risk Management Committee of AIRA Capital Public Company Limited has been appointed by the Board of Directors, which consists of three directors as follows;

- | | |
|---------------------------------|---------------------------------------|
| 1. Mr. Prinya Waiwatana | Chairman of Risk Management Committee |
| 2. Assoc.Prof.Niputh Jitprasonk | Risk Management Committee Member |
| 3. Mr. Anant Sirisaengtaksin | Risk Management Committee Member |
| 4. Mr. Suttiporn Tanthikul | Risk Management Committee Member |

The Risk Management Committee's there are 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 2020, there were 2 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 Chemnasiri | 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 2020, 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 2020 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 2020, 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 2020 to be at a good level.

7) **To consider the selection and remuneration of the external auditor for the year 2020:** 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 2020, 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 three members as follow;

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

In 2020, Corporate Governance Committee had arranged 2 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 1st October 2019 – 31st 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 2020 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 Board of Directors meeting for consideration and approval of the assessment form for Board of Directors. Sub-committees and Chief Executive Officer in 2020
5. Consider reporting the operation according to the corporate governance in Annual Statement Form (Form 56-1) and Annual Report 2020 (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 2020, the Company had received the quality assessment for the arrangement of General Meeting in “Good” level.
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 2020, which was assessed by the IOD for 3 consecutive years.

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 Shareholders

The Board of Directors of AIRA Capital Public Company Limited has appointed the Nomination and Remuneration Committee, which consists of 3 directors as follows;

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

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 2020, Nomination and Remuneration Committee had held the 3 meetings 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.

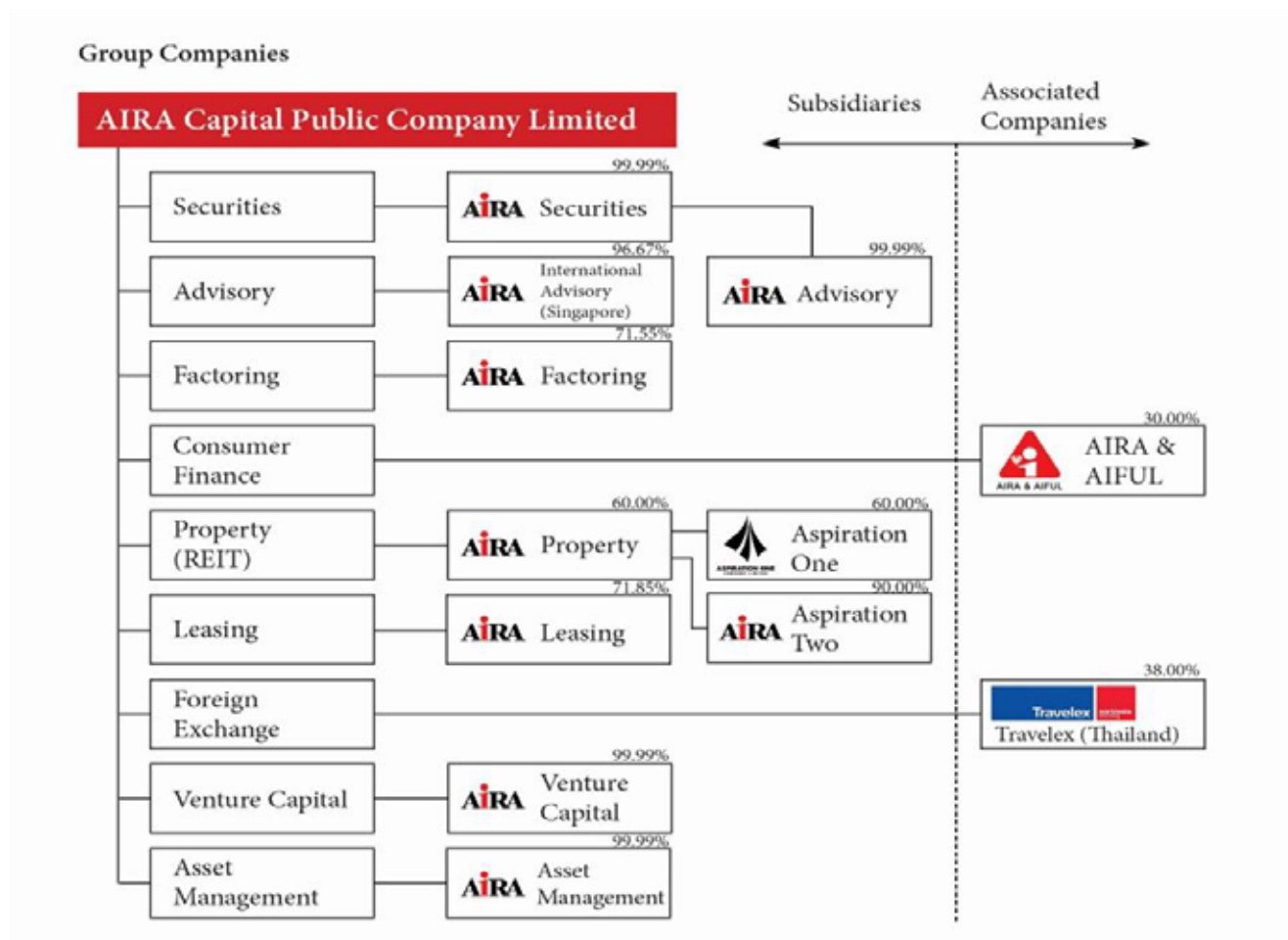
5. Arrange the performance appraisal of the Nomination and Remuneration Committee and assess the performance of Chief Executive Director and report to the Company's Directors.

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 Nomination and Remuneration Committee

AIRA GROUP'S SHAREHOLDING STRUCTURE

As at 31 December 2020, the Company's shareholding structure is as follows:



The details of the subsidiary / associated company stated on the topic "Nature of business operations of 12 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 2018 to 2020

Revenue structure of the Company and its subsidiaries	Source of revenue*	2018		2019		2020	
	Proportion% of 2020	Million Baht	%	Million Baht	%	Million Baht	%
(1) Brokerage fees income	AS	324.80	40.29	271.71	34.70	422.35	41.67
(2) Interest income from factoring	AF	179.72	22.30	177.20	22.63	159.62	15.75
(3) Fees and services income	AF (61.3%), AS (20.58%), AD (12.46%) AIAS (5.66%)	68.45	8.49	67.29	8.59	67.00	6.61
(4) Gain on investments and dividend	AS	12.86	1.60	13.50	1.72	57.30	5.65
(5) Interest income	AS (77.45%) AF, AIL (total 22.55%)	90.74	11.26	105.30	13.45	74.89	7.39
(6) Interest income on hire purchase and finance leases	AIL	39.05	4.84	75.63	9.66	77.72	7.67
(7) Rental and service income	ASP1 (63.4%) AIL (36.6%)	51.50	6.39	47.79	6.10	123.83	12.22
(8) Finance income	AC (46.87%) AS (41.48%) AD, AF, AIL, AIP (total 11.65%)	33.10	4.11	17.47	2.23	17.21	1.70
(9) Other income	ASP1 (39.97%) AIL (28.37%) AF (11.01%) AS, AIAM, AC, AIAS, AD, AIP (total 20.65%)	5.87	0.73	7.16	0.91	13.71	1.35
Total revenues		806.09	100.00	783.05	100.00	1,013.63	100.00

BUSINESS OPERATIONS

AIRA Capital Public Company Limited has operated as a holding company. At present, the Company has 10 subsidiaries and 2 associates.

Overview of the business operations of the 10 subsidiaries are described as follows:

1) AIRA Securities Public Company Limited

AIRA Securities Public Company Limited (“AS”) was incorporated on 16 February 2004. The Company became a majority shareholder, with the shareholding of 99.99% 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 7 branches; Surawong branch; Muang Thong Thani branch; Sripatum University branch; Nakhon Sawan branch; Chiangmai 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. The Company became a majority shareholders, with the shareholding of 71.55%. 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 in real estate business and has invested in Aspiration One Company Limited. In 2015, the company invested in Aspiration One Co., Ltd. to operate office buildings for rent, buildings located at the Ratchathewi intersection. Recurring income from 2020 onwards, on March 19, 2020, the Company invested in Aspiration Two Co., Ltd. (“ASP2”) to operate a real estate development business with recurring income.

4.1) Aspiration One Company Limited

AIRA Property Public Company Limited, a subsidiary of the Company, has invested in Aspiration One Company Limited (“ASP1”), registered on September 25, 2015, as a subsidiary of AIP. AIP 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 1,000 million, divided into 100,000 shares at the par value of Baht 10 per share and divided into 100,000,000 shares at the par value of Baht 10 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 2020 with prospective clients approximated 50% of total capacity.

4.2) Aspiration Two Company Limited

AIRA Property Public Company Limited, a subsidiary of the Company, has invested in AspirationTwo Company Limited (“ASP2”), registered on March 19, 2020. AIP holds 90 percent of shares. At present, ASP2 has a registered capital of Baht 10 million, divided into 1 million shares at the par value of Baht 10 per share, which consists of the fully-paid up capital of Baht 10 million to engage in the real estate development business which recurring Income type

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 71.85 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 business. In high growth, including 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 Company Limited

AIRA Asset Management Company 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 45 million.

AIAM has operated Wealth and Investment Management business by providing Investment Advisory services, Private Fund Management, Mutual Fund Management and Securities Brokerage of Investment Units

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' 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 understood 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 is 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 resource's competencies and increase competitiveness.

3) Risk from the financial advisory business

The company is prudently selective with respect to its clients and studies client's 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 affect 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 affect 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 and Lease Back product

Although financing in Sell and 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 2020, 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 2020, 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 shareholders 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 shareholders 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, 2020 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.

RELATED PARTY TRANSACTIONS

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

As AIRA Capital Public Company Limited (“the Company” or “AC”) and its subsidiaries, i.e., AIRA Securities Public Company Limited (“AS”), AIRA Advisory Company Limited (“AD”), AIRA Factoring Public Company Limited (“AF”), AIRA International Advisory (Singapore) Pte. Ltd. (“AI”), AIRA Property Public Company Limited (“AIP”), Aspiration One Company Limited (“ASP1”), Aspiration Two Company Limited (“ASP2”), AIRA Leasing Public Company Limited (“AIL”), AIRA Venture Capital 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. Taweechat 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
Total	100.00

This includes such persons’ spouse and children.

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

Transactions between the Company and its subsidiaries, related companies and persons who may have conflicts of interest for the year 2019 and 2020 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 2019	Balance as at 31 December 2019	Amount during the year 2020	Balance as at 31 December 2020		
Transactions between AC and AIAS						
Short-term loan to AIAS	17.97	88.22	6.88	95.31	AC has lent AIAS short-term loan. Such loan is unsecured, bearing interest rate of 2.0% per annum, and mature on 12 April 2021.	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	1.57	0.36	1.88	0.05	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	-	500.00	(500.00)	-	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	10.00	-	2.10	-	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	Amount (million Baht)				Characters and details of transactions	Opinions of the Audit Committee: rationale for the transactions / pricing and conditions
	Amount during the year 2019	Balance as at 31 December 2019	Amount during the year 2020	Balance as at 31 December 2020		
Transactions between AC and AS						
Short-term loans to AS	-	-	199.65	199.65	AC has lent AS short-term loan. Such loan is unsecured, bearing interest rate of 2.5% per annum, and mature on 27 January 2021.	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	-	-	0.06	0.06	Interest income from short-term loan to AS	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	5,123.38	-	5,720.00	-	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 between AS and major shareholders of the Company and its subsidiaries						
Sales of bills of exchange	5,248.81	10.00	5,724.84	-	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.

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 2019	Balance as at 31 December 2019	Amount during the year 2020	Balance as at 31 December 2020		
Issued and offered to sell subordinated debentures	-	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	(5.16)	0.23	243.06	243.29	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	8.75	9.09	(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	3.49	135.69	(3.76)	131.93	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.

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 2019	Balance as at 31 December 2019	Amount during the year 2020	Balance as at 31 December 2020		
Brokerage fees income from trading securities	10.01	-	19.15	-	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 income	-	-	5.56	-	Such interest income arose from credit balance accounts and was transactions in normal business 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 interest rates are charged to general customers.
Interest expense / interest payable of bill of exchange	4.08	0.50	2.43	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 2019	Balance as at 31 December 2019	Amount during the year 2020	Balance as at 31 December 2020		
Transactions between AS, directors and executives in the Company and its subsidiaries						
Securities and derivatives business receivables	0.04	0.18	(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.
Cash collateral	0.25	2.80	2.54	5.34	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	0.26	-	0.41	-	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	-	-	0.01	-	Such transactions represented interest expense of subordinated debentures, bill of exchange, and investments in the bonds. Such interest arose from transactions in	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

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 2019	Balance as at 31 December 2019	Amount during the year 2020	Balance as at 31 December 2020		
					normal business operation with general commercial terms.	comparison with companies receiving the credit rating BBB - and BBB +.
Transactions between AS and its related companies						
Service Fee and Advisory Fee	1.30	0.12	2.43	0.13	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.
Other income	-	-	2.20	-	Such transactions represent office rental fee paid by AF, as AS has subleased parts of its office lease to AF with the agreed rate according to the contract.	The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms as the rate is in accordance with market conditions.
Other expenses	-	-	0.65	0.05	Such transactions represent office rental fee paid to AIAM, as AIAM has subleased parts of its office lease to AS with the agreed rate according to the contract.	The Audit Committee is of the opinion that such transaction is a normal transaction with the general commercial terms as the rate is in accordance with market conditions.

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.

GENERAL INFORMATION

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 2020)
Issued and fully-paid up capital:	Baht 1,578,719,633.25 (as at 31 December 2020)

Head office address:	319 Chamchuri Square Building 12 th Floor Phayathai Road, Pathumwan Bangkok 10330 Website: https://www.airacapital.co.th 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: ir@aira.co.th

Reference person

<ul style="list-style-type: none"> ● <u>Securities Registrar</u> Thailand Securities Depository Co., Ltd. 1st Floor The Stock Exchange of Thailand Building, 93 Rachadapisek Road, Dindaeng, Bangkok 10400 Tel: 0 2009 9000 Fax: 0 2009 9991 Website: www.set.or.th/tsd 	<ul style="list-style-type: none"> ● <u>Auditor</u> Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. AIA Sathorn Tower, 23rd – 27th Floor 11/1 South Sathorn Road, Yannawa, Sathorn Bangkok 10120 Tel: 0 2034 0000 Fax: 0 2034 0100 Website: www.deloitte.com
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Issuance of other securities : None

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 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 2020 as follows:

No.	Major Shareholders	Number of Shares	Percentage (%)
1	J R K Holdings Company Limited	2,316,497,280	36.683
2	Mr. Thaveechat Jurangkool	1,391,155,098	22.030
3	Mrs. Nalinee Ngamsetthamas	331,698,230	5.253
4	Mr. Nutthaphon Jurangkool	304,949,900	4.829
5	Mr. Komol Jungrunreangkit	304,169,101	4.817
6	Summit Footwear Company Limited	192,401,300	3.047
7	Mrs. Nicha Smithivas	192,029,600	3.041
8	Ms. Nida Sae-Lee	166,015,300	2.629
9	Mr. Wutthiphum Jurangkool	165,000,000	2.613
10	Ms. Ornnicha Ngamsetthamas	118,491,041	1.810

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.

LEGAL DISPUTES

As of December 31, 2020, AIRA Capital Public Company Limited (the “Company”) and its subsidiaries have 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.



MR. PRASERT BUNSUMPUN

Age 68 Years / Thai

Independent Director

Chairman

- **Appointed :** July 3, 2020
September 10, 2020 (1st re-election)

► **Education / Training**

- Honorary Doctoral Degree in Engineering, Chulalongkorn University
- Honorary Doctoral Degree in Business Administration, National Institute of Development Administration (NIDA)
- Honorary Doctoral Degree in Business Administration of General Management, Phetchaburi Rajabhat University
- Honorary Doctoral Degree in Business Administration of Business Administrative Program, Mahasarakham University
- Honorary Doctoral Degree of Arts, Social Innovative Management, Suan Sunandha Rajabhat University
- Master Degree of Business Administration (M.B.A.) Utah State University, USA
- Bachelor Degree in Engineering, Civil Engineer, Chulalongkorn University
- Rule of Law for Democracy (Class 7), College of the Constitutional Court
- Business Revolution and Innovation Network (BRAIN) Class 1, The Federal of Thai Industries
- Advance Certification Course in Politics and Governance in Democratic System of Executive (POI) Class 6 King Prajadhipok's institute
- Certificate in Advance Management Program, Class 155, Harvard Business School, USA
- Certificate of National Defense College (TNDC 4010)

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

- Role of Chairman Program (RCP) Class 27/2012
- Director Accreditation Program (DAP) Class 26/2004

► **Board member/Management in Listed Company - The Stock Exchange of Thailand : 7 Companies**

- | | |
|--------------|---|
| 2020-Present | Independent Director and Chairman of the Board of Directors, AIRA Capital Public Company Limited |
| 2020-Present | Director, Major Cineplex Group Public Company Limited |
| 2019-Present | Independent Director and Chairman of the Audit Committee, T.K.S. Technologies Public Company Limited |
| 2017-Present | Independent Director and Chairman of the Board of Directors, SVI Public Company Limited |
| 2015-Present | Independent Director and Chairman of the Board of Directors, Thaicom Public Company Limited |
| 2012-Present | Chairman of the Board of Directors and Chairman of the Executive Committee, Thoresen Thai Agencies Public Company Limited |
| 2011-Present | Independent Director, Chairman of the Nomination and Governance Committee,
Member of the Leadership Development and Compensation Committee
Member of the Strategic and Organizational Review Committee
Intouch Holdings Public Company Limited |

► **Board member/Management in Non - Listed Company : 8 Companies**

2021 – Present	Honorary Director of Royal Academy
2019 – Present	Honorary Director of King Prajadhipok's Institute
2019 – Present	Chairman of the Board of Directors, AIRA Property Public Company Limited
2018 – Present	Council President of the Dhurakij Pundit University
2018 – Present	Honorary Director of the Eastern Economic Corridor Office of Thailand (EECO)
2012 – Present	Chairman of the Board of Directors and Chairman of the Executive Committee Mermaid Maritime Public Company Limited
2011 – Present	Chairman of the Thailand Business Council for Sustainable Development (TBCSD)
2011 – Present	Chairman of the Community Enterprise Institute Foundation (CEIF)

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

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

2019 – 2020	Chairman of the Board of Director, Yuanta Securities (Thailand) Company Limited
2018 – 2020	Independent Director and Chairman of the Risk Committee, PTT Global Chemical Public Company Limited
2017 – 2020	Independent Director and Chairman of the Board of Directors, Nok Air Public Company Limited
2013 – 2020	Honorary Director, Suranaree University of Technology Council
2012 – 2020	Honorary Director, Chulalongkorn University Council
2014 – 2019	Member of the National Legislative Assembly (NLA)
2011 – 2018	Chairman of the Board of Director, PTT Global Chemical Public Company Limited

► **Shareholding as of December 31, 2020 : None (0.0000%)**

► **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. Nopporn Picha

Age 72 Years / Thai

Independent Director
Chairman of Audit Committee

► **Appointed :** April 22, 2010

April 25, 2016 (1st re-elected)

April 26, 2019 (2nd 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 (AACP) Class 14/2014
- Directors Certification Program (DCP) Class 100/2008
- Directors Accreditation Program (DAP) Class 2/2003

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

Exchange of Thailand : 2 Companies

- | | |
|----------------|--|
| 2018 – Present | Chairman of Audit Committee and Independent Director,
Chumporn Palm Oil Industry Public Company Limited |
| 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)**

- | | |
|---------------------|--|
| October 2019 - 2020 | Acting Chairman,
AIRA Capital Public Company Limited |
| 2015 – 2017 | Director
Siam Smile Broker (Thailand) Company Limited |
| 2010 – 2017 | Director
Ratchaburi World Cogeneration Co.,Ltd. |

► **Shareholding as of December 31, 2020 :** 41 shares (0.000%)

► **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. Naline Ngamsetthamas

Age 61 Years / Thai

Authorized Director

Chairman of the Investment Committee and Chief Executive Officer

► **Appointed :** April 22, 2010

April 30, 2015 (1st re-election)

April 30, 2018 (2nd 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 : 2 Companies**

- | | |
|--------------|---|
| 2011-Present | Authorized Director, Member of the Executive Committee and Member of the Nomination and Remuneration Committee, AIRA Factoring Public Company Limited |
| 2010-Present | 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**

October 2020 - Present	Authorized Director, Aspiration Two Company Limited
2018 – Present	Authorized Director, AIRA Venture Capital Limited
2017 – Present	Authorized Director, AIRA Asset Management Company 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
2007 – Present	Authorized Director, AIRA Securities Public Company Limited

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

2013 – June 2020	Authorized Director and Chairman of the Board of Directors, AIRA International Advisory (Singapore) Pte., Ltd.
2017 – 2020	Authorized Director, Nok Airline Public Company Limited
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 as of December 31, 2020 : 331,698,230 Shares (5.2526%)**

► **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 77 Years / Thai

Independent Director

Chairman of Nomination and Remuneration Committee

Member of Risk Management Committee

► **Appointed :** August 27, 2010

March 18, 2014 (1st re-election)

April 24, 2017 (2nd 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. |
|----------------|----------------------------------|

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

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

► **Shareholding as of December 31, 2020 :** 300,000 shares (0.0048%)

► **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 68 Years / Thai

Authorized Director

Chairman of Good Governance Committee

► **Appointed :** August 27, 2010

April 30, 2015 (1st re-election)

April 30, 2018 (2nd 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

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

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

Shareholding as of December 31, 2020 : 17,851,906 shares (0.2827%)

► **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 73 Years / Thai

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

► **Appointed :** April 22, 2010

March 18, 2014 (1st re-election)

April 24, 2017 (2nd 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

► **Shareholding as of December 31, 2020 :** 367,021 shares (0.0058%)

► **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 77 Years / Thai

Authorized Director

Member of Nomination and Remuneration Committee

► **Appointed :** April 22, 2010

April 25, 2016 (1st re-election)

April 26, 2019 (2nd 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 as of December 31, 2020 :** 866,496 shares (0.0137%)

► **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 72 Years / Thai

Independent Director Audit Committee and Good Governance Committee

- ▶ **Appointed :** April 22, 2010
March 18, 2014 (1st re-election)
April 24, 2017 (2nd re-election)
September 10, 2020 (3rd 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 : 1 Company**
2010 – 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 : 3 Companies**
2008 – Present Independent Director and Member of Audit Committee, AIRA Securities Public Company Limited
1994 – Present Director, Grid Business Solutions Limited
1988 – Present Director, Taraporn Company Limited
- ▶ **Work Experience (5 Years Past Experiences)**
1986 – 2009 Executive Vice President (Planning and Finance), Airports of Thailand Public Company Limited
2017 – 2020 Independent Director Chairman of the Audit Committee and Member of Nomination and Remuneration Committee, Nok Airline Public Company Limited
2005 – 2020 Director, SRI Consultant Limited
1989 – 2020 Director, Managerial Excellent Limited
- ▶ **Shareholding as of December 31, 2020 :** 599,882 shares, Spouse 7,250,508 shares (0.1243%)
- ▶ **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 68 Years / Thai

Independent Director

Audit Committee

- **Appointed :** April 22, 2010
April 30, 2015 (1st re-election)
April 30, 2018 (2nd re-election)

► **Education / Training**

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

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

- Board Matters and Trends (BMT) Class 7/2019
- 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 : 3 Companies

- 2009 – Present Independent Director and Audit Committee
AIRA Securities Public Company Limited
- 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 as of December 31, 2020 :** 407,552 shares,
Spouse 964,316 shares
(0.0217%)

- **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 Karnchanapungpong

Age 60 Years / Thai

Authorized Director
Member of Investment Committee and
Member of Corporate Good Governance Committee

- **Appointed :** February 23, 2010
April 25, 2016 (1st re-election)
April 26, 2019 (2nd 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

2010 – 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 : 13 Companies

2019 – Present Authorized Director,
Bhumiswadphattana Company Limited

2019 – Present Authorized Director,
Nok Mangkang Company Limited

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

2006 – Present Authorized Director,
AIRA Securities Public 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

1997 – Present Executive Director,
Thai Business Consultants Association

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

2018 – 2020 Authorized Director,
Nok Scoot Airline Company Limited

2018 – 2020 Authorized Director,
Chalybs Cylinders LTD

➤ **Shareholding as of December 31, 2020 :** 696,607 shares (0.0110%)

➤ **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 69 Years / Thai

Independent Director

Member of Risk Management Committee

► **Appointed :** August 14, 2014

April 30, 2015 (1st re-election)

April 30, 2018 (2nd 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 2003), The National Defense College

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

- Advance Audit Committee (AAPC) 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, Global Consumer 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 Chaiyaphum Plc. |
| 2016 – Present | Authorized Director and Chairman of the Board of Directors, AIRA Advisory Company Limited |

► **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 as of December 31, 2020 :** None

► **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 62 Years / Thai

Independent Director

► **Appointed :** 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 13th 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 as of December 31, 2020 :** None

► **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 58 Years / Thai

Managing Director

Member of Risk Management Committee

► **Appointed :** 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 :** 6 Companies

- | | |
|--------------------|---|
| Jan 2021 – Present | Member of Executive Committee, AIRA Securities Public Company Limited |
| Oct 2020 – Present | Authorized Director, Aspiration Two Company Limited |
| Feb 2018 – Present | Member of Credit Committee, AIRA Leasing Public Company Limited |
| 2016 – Present | Authorized Director, AIRA Leasing Public Company Limited |
| 2016 – Present | Authorized Director, AIRA Asset Management Company Limited |
| 2016 – Present | Authorized Director, AIRA Venture Capital Limited |
| 2016 – Present | Authorized Director, AIRA and AIFUL Public Company Limited |

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

- | | |
|-----------------|---|
| 2016 – Jan 2021 | Member of Executive Committee, AIRA Leasing Public Company Limited |
| 2015 – Nov 2020 | Authorized Director and Member of Executive committee, AIRA Property Public Company Limited |

► **Shareholding as of December 31, 2020 :** None

► **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. Netrsine Naksuk

Age 59 Years / Thai

Company Secretary

First Executive Vice President

➤ **Appointed** : 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

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

2007 – 2009 Company Secretary
AIRA Securities Public Company Limited.

➤ **Shareholding as of December 31, 2020** : 28 shares (0.0000%)

➤ **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 43 Years / Thai

First Executive Vice President, Investment Department

► **Appointed :** 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 :** 6 Companies

Nov 2020 – Present	Authorized Director, AIRA Property Public Company Limited
Oct 2020 – Present	Authorized Director, Aspiration Two Company Limited
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 Company Limited
2016 – Present	Authorized Director, AIRA Venture Capital Limited

► **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 as of December 31, 2020 :** None

► **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. Anu Dawrat

Age 57 Years / Thai

Executive Vice President, Human Resource and Administration

➤ **Appointed :** 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

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

2009 – 2017 Executive Vice President, Human Resources and Support
AIRA Securities Public Company Limited

➤ **Shareholding as of December 31, 2020 :** 806,536 shares (0.0128%)

➤ **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 43 Years / Thai

First Executive Vice President

► **Appointed :** 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 :** 1 Company

- 6 January 2020 – Present Member of Executive Committee, AIRA Securities Public Company Limited

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

2015 – 11 October 2019 Finance Manager,
CUEL Limited

► **Shareholding as of December 31, 2020 :** None

► **Position in conflict of interest to the company :** None

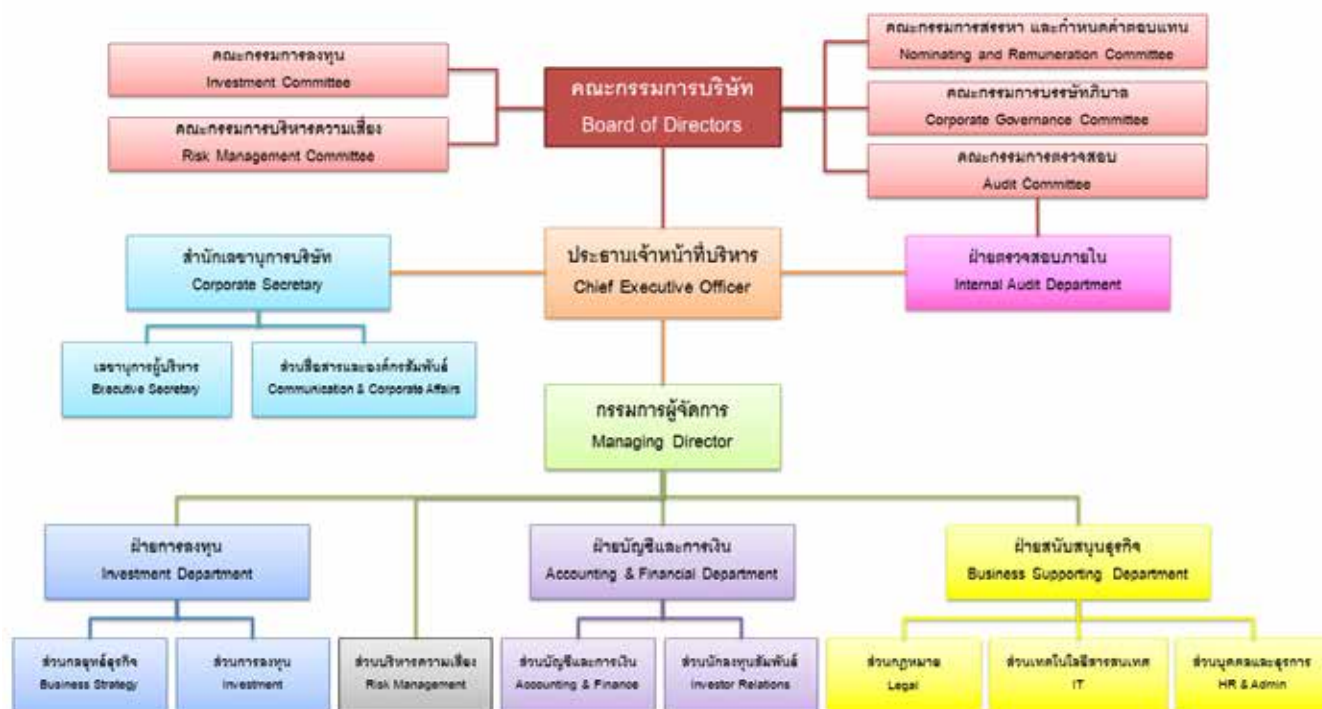
► **Relation among Family with other Directors and Management of the Company or Subsidiaries :** None

► **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 2020



MANAGEMENT STRUCTURE

1. Board of Directors of the Company

As of 31 December 2020, the Board of Directors of the comprises of 12 persons as follows:

	Directors	Position	Appointed Date
1	Mr. Prasert Bunsumpun	Chairman of the Board of Directors / Independent Director	10 September 2020
2	Mrs. Chiraporn Chemnasiri	Member of Audit Committee / Independent Director	10 September 2020
3	M.R. Kasemvisuth Visuthi	Director	10 September 2020
4	Mr. Nopporn Picha	Chairman of Audit Committee / Independent Director	26 April 2019
5	Mr. Wisoot Karnchanapunyapong	Director	26 April 2019
6	Mr. Sermakul Klaikeaw	Independent Director	11 December 2019
7	Associate professor Anchalee Pipatanasern	Member of Audit Committee / Independent Director	30 April 2018
8	Mr. Anant Sirisaengtaksin ⁽¹⁾	Director	30 April 2018
9	Mrs. Kongkeaw Piamduaytham	Director	30 April 2018
10	Mrs. Naline Ngamsetthamas	Director / Chairman of Investment Committee	30 April 2018
11	Associate Professor Niputh Jitprasonk	Independent Director	24 April 2017
12	Mr. Prinya Waiwatana	Independent Director	24 April 2017

Remark

- (1) On 3 July 2020, the Meeting of Board of Directors had appointed Mr. Anant Sirisaengtaksin as the authorized director.

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 2020 was "Mrs. Naline Ngamsetthamas, Mr. Wisoot Karnchanapunyapong, Mrs. Kongkeaw

Piamduaytham, M.R. Kasemvisuth Visuthi and Mr. Anant Sirisaengtaksin, two in five 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, unless of being a person with knowledge, skills and work experiences that are beneficial to the Company’s business and able to devote the time to perform the duties effectively.

Currently, there are 12 directors, which is the proper number for the business size and the business type as follow:

- 1) Non-Executive Director for 11 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. Prasert Bunsumpun the Chairman during 2020 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. Nalinee 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 quorums 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 Chemnasiri, 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 2020, The Company has 7 Independent Directors with the following namely:

- | | | |
|----|---|--|
| 1. | Mr. Prasert Bunsumpun | Independent Director and Chairman of the Board of Directors |
| 2. | Mr. Nopporn Picha | Independent Director and Chairman of Audit Committee |
| 3. | Mrs. Chiraporn Chemnasiri | Independent Director and Member of Audit Committee |
| 4. | Associate professor Anchalee Pipatanasern | Independent Director and Member of Audit Committee |
| 5. | Associate Professor Niputh Jitprasonk | Independent Director and Chairman of Member of Nomination and remuneration Committee |
| 6. | Mr. Prinya Waiwatana | Independent Director and Chairman of Risk Management Committee |
| 7. | Mr. Sermakul Klaikaew | Independent Director |

2. Sub-committees

As at 31 December 2020, Sub-committee consists of 5 committees, the detail as follow:

2.1 Audit Committee

In 2020, 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 Chemnasiri, | Audit Committee |
| 3. Asst. Prof. Anchalee Pipatanasern | 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. Duties of Audit Committee

- 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) 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.

2. 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) In the performance of duties of the Audit Committee, if found or in doubt that any of the following items or actions

- Transactions resulting in conflicts of interest.
- Fraud, unusual or material defect in the internal control system.
- Violation of the law on securities and stock exchange. Stock Exchange's Requirements Or laws relating to the Company's business

This may have a material impact on the financial position and results of operations of the Company. The Audit Committee shall report to the Board of Directors for rectification within time. Which the Audit Committee deems appropriate

14) 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 2020, the Nomination and Remuneration Committee had 3 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 2020, the Risk Management Committee had 2 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) 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
- 6) To review and improve the appropriateness of the Risk Management Committee Charter annually. And propose to the Board of Directors for approval.

2.4 Corporate Governance Committee

In 2020, the Corporate Governance Committee had 2 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 Chemnasiri	Corporate Governance Policy
3. Mr. Wisoot Karnchanapunyaong	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 2020, 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 Karnchanapunya	Investment Committee
3. Mr. Prinya Waiwatana	Investment Committee
4. Mr. Pairoj Laungthaleongpong	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 review and improve the appropriateness of the Investment Committee Charter annually. And propose to the Board of Directors for approval.

ATTENDANCE AT THE MEETING OF THE BOARD OF DIRECTOR

In 2020, The Meeting of Independent Director, the Non-Executive Director, and the Sub-Committee are shown as follow;

Directors	AGM for the year 2020	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 7	Total 1	Total 1	Total 4	Total 3	Total 2	Total 2	Total 4
1. Mr. Prasert Bunsumpun	1/1	4/4	1/1	1/1	-	-	-	-	-
2. Mr. Nopporn Picha	1/1	7/7	1/1	1/1	4/4	-	-	-	-
3. Mrs. Chiraporn Chemnasiri	1/1	7/7	1/1	1/1	4/4	-	-	2/2	-
4. Associate professor Anchalee Pipatanasern	1/1	7/7	1/1	1/1	4/4	-	-	-	-
5. Associate Professor Niputh Jitprasonk	1/1	7/7	1/1	1/1	-	3/3	2/2	-	-
6. Mr. Prinya Waiwatana	1/1	7/7	1/1	1/1	-	3/3	2/2	-	4/4
7. Mr. Anant Sirisaengtaksin	1/1	6/7	-	1/1	-	-	2/2	-	-
8. Mrs. Kongkeaw Piamduaytham	1/1	7/7	-	1/1	-	-	-	2/2	-
9. M.R. Kasemvisuth Visuthi	1/1	7/7	-	1/1	-	3/3	-	-	-
10. Mr. Wisoot Karnchanapunyapong	1/1	7/7	-	1/1	-	-	-	2/2	4/4
11. Mrs. Nalineee Ngamsetthamas	1/1	7/7	-	-	-	-	-	-	4/4
12. Mr. Sermsakul Klaikaew	1/1	7/7	1/1	1/1	-	-	-	-	-

3. Executives

Name List of Company's Executive as of 31 December 2020

	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 2017) 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 2020, the Company has 34 employees. In 2020, the Company paid the employees compensation which included salary, overtime payment, bonus and provident fund, the details as follows;

Items	Amount (MTHB)
salary, overtime payment, bonus	45.08
provident fund	2.03

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. And there are employees receiving 15 general knowledge training courses and about 5 hours of training 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 2020, the Company turnover rate was 3%.

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 2020, the Annual General Meeting of Shareholders for the year 2020 on 10 September 2020 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 of Audit Committee Other Directors	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 2020, the Board of Directors received the meeting allowances totaling Baht 1,873,500 the details as following;

Board of Directors and Subcommittees	Number of Meetings (time)	Meeting allowance (Baht)
1. Board of Directors	7	1,356,500
2. Audit Committee	4	182,000
3. Nomination and Remuneration Committee	3	93,000
4. Risk Management Committee	2	70,000
5. Corporate Governance Committee	2	62,000
6. Investment Committee	4	110,000

Summary of Individual Remuneration for Directors of AIRA Capital Public Company Limited in 2020

Unit: Baht

No.	Name List	Meeting Allowance	Director Pension	Non- Monetary Remuneration	Total
<u>Directors</u>					
1	Mr. Nopporn Picha	215,000	-	None	215,000
2	Mrs. Chiraporn Chemnasiri	175,000	-	None	175,000
3	Mrs. Anchalee Pipatanasern	159,000	-	None	159,000
4	M.R. Kasemvisuthi Visuthi	143,000	-	None	143,000
5	Mrs. Kongkeaw Piamduaytham	149,000	-	None	149,000
6	Mr. Wisoot Karnchanapunyapong	167,000	-	None	167,000
7	Mrs. Nalineee Ngamsetthamas	89,500	-	None	89,500
8	Mr. Prinya Waiwattana	205,000	-	None	205,000
9	Mr. Niputh Jitprasonk	180,000	-	None	180,000
10	Mr. Anant Sirisaengtaksin	118,000	-	None	118,000
11	Mr. Sermasakul Klaikaew	119,000	-	None	119,000
<u>Appointed Directors During 2020</u>					
12	Mr. Prasert Bunsumpun*	100,000	-	None	100,000
<u>Consultant of Audit Committee</u>					
13	Ms. Warawan Watthanathesanun	30,000	-	None	30,000

Unit: Baht

No.	Name List	Meeting Allowance	Director Pension	Non-Monetary Remuneration	Total
<u>Directors from subsidiaries</u>					
14	Mr. Pairoj Laungthaleongpong	16,000	-	None	16,000
<u>Executive Sub-Committee</u>					
15	Mr. Suttiporn Tanthikul	8,000	-	None	8,000
		<u>1,873,500</u>	=		<u>1,873,500</u>

Remark

* Mr. Prasert Bunsumpun was appointed to take a position of Director for Mr. Wutthiphum Jurangkool effective on July 03,2020.

SHARE HELD BY THE BOARD OF DIRECTORS AND EXECUTIVES

Report of Shareholding of the Board of Directors ⁽¹⁾ as of 31 December 2020

Name and Position	Ordinary Shares (Shares)			
	As of 31 December 2019	Changes during 2020		As of 31 December 2020
		Increase	Decrease	
1. Mr. Prasert Bunsumpun Chairman	-	-	-	-
2. Mr. Nopporn Picha Chairman of Audit Committee	41	-	-	41
3. Mrs. Chiraporn Chemnasiri Member of Audit Committee	7,850,390	-	-	7,850,390
4. Associate professor Anchalee Pipatanasern Member of Audit Committee	1,399,868	-	28,000	1,371,868
5. Associate Professor Niputh Jitprasonk Independent Director	300,000	-	-	300,000
6. Mr. Prinya Waiwatana Independent Director	367,021	-	-	367,021
7. Mr. Anant Sirisaengtaksin Authorized Director	-	-	-	-
8. Mrs. Kongkeaw Piamduaytham Authorized Director	17,851,906	-	-	17,851,906
9. M.R. Kasemvisuth Visuthi Authorized Director	866,496	-	-	866,496
10. Mr. Wisoot Karnchanapunyapong Authorized Director	696,607	-	-	696,607
11. Mrs. Naline Ngamsetthamas Chief Executive Officer and Authorized Director	331,698,230	-	-	331,698,230
12. Mr. Sermsakul Klaikaew ⁽²⁾ 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 2020

Report of Shareholding of the Executives as of 31 December 2020

Name and Position	Ordinary Shares (Shares)			
	As of 31 December 2018	Changes during 2020		As of 31 December 2020
		Increase	Decrease	
1. Mrs. Naline Ngamsetthamas Chief Executive Officer and Authorized Director	331,698,230	-	-	331,698,230
2. Mr. Suttiporn 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, Financial and Accounting Department	-	-	-	-
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.

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 (SET) and the SEC Office including complying with the international standard practice.

The Meeting of Board of Directors No. 6/2020 on 13 November 2020 had approved of the Corporate Governance Policy (Revised Edition 2021) and Code of Business Conduct (Revised Edition 2021) which was effective on 1 January 2021 and was published on www.airacapital.co.th in the topic "Corporate Governance" for shareholders, investors and interested persons to gain easy access to the information.

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 2020 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 Company has the policy to provide support and facilitation to every shareholder including institutional investors to ensure that shareholders, both as investors and owners of the Company, are entitled to all basic rights meeting widely accepted and reliable standards, which include the right to freely trade or transfer their owned shares, the right to receive dividends from the Company, the right to attend Shareholders Meetings, the right to propose in advance the Meeting agenda, the right to nominate a person to be a director, the right to express opinions independently and the right to make decisions on important affairs of the Company, e.g., the election of directors, the appointment of auditors and fixing of the audit fee, approval of significant transactions influencing the Company's direction, as well as amendment of Memorandum of Association and Articles of Association of the Company.

Apart from the above mentioned rights of the shareholders, The Company has made additional efforts to encourage and facilitate shareholders to exercise their rights as follows:

1. The Company provides essential, clear and up-to-date information for shareholders regarding the Company's business. The Company will notify shareholders of the information through the Company's website and the Stock Exchange of Thailand.

2. To ensure that all shareholders receive clear and sufficient detailed information, allowing them to have adequate time to study the information before attending the Shareholders' Meeting, The Company has clearly notified shareholders of the venue, date, time and proposed agenda items, both in Thai and English, approximately thirty days before the meeting.

For the meeting notice, the Company provides a detailed description of each agenda item together with the opinion of the Board of Directors. A notice of the meeting and attachments including the registration form, documents and evidence required before attending the Meeting, proxy procedure, registration and proxy forms, in Thai and English, will be posted on the Company's website, not less than 21 days before the Meeting.

3. For the convenience of shareholders unable to attend a meeting, the Company provides an opportunity for them to appoint a representative, e.g., an independent director or any other person to act as a proxy, using one of the proxy forms attached to the notice of the Meeting. The proxy forms prepared in compliance with the specifications defined by the Department of Business Development at the Ministry of Commerce allow shareholders to exercise their voting rights as they wish. Also attached is a profile of independent directors proposed by the Company to serve as proxies for shareholders. For institutional or foreign investors who authorize custodians in Thailand to keep and safeguard their shares, the Company will arrange for the documents and evidence required before attending the Meeting well in advance to facilitate registration on the date of the Meeting.

4. The Company provides opportunities for the shareholders to submit questions related to items on the agenda or other information before the Meeting to the email address or the Company's address. For more information, please contact the Investment Relations or Corporate Secretary Office via the following channels:

- Address: Investment Relations or Corporate Secretary Office
- AIRA Capital Public Company Limited
No. 319 Chamchuri Building 12th floor, Phayathai Road, Pathumwan Bangkok 10330
- e-mail: ir@aira.co.th

5. In 2020, 12 members of the Board of Directors, or an equivalent of 100% of the Board, attended the Annual General Meeting of Shareholders.

6. The 2020 Annual General Meeting of Shareholders was held at the Mandarin A room, the Mandarin Hotel (Samyan). The venue was easily accessible by shareholders as it is located on Phayathai Road within close reach of MRT Samyan station.

7. On the date of the Meeting, the Company used a barcode system for registration based on the reference number already included in the registration form and proxy form to ensure convenience for shareholders and facilitate the registration. In addition, in the case of the appointment of another person as a proxy, the Company facilitated the affixing of the stamp duty on all proxy forms registering at the document check counter. The Company's officers were always available to provide assistance during the registration. Registration for the Meeting started no less than two hours before the Meeting.

8. To ensure transparency and verifiability, the Company provided voting cards for each agenda item. In casting votes, the Chairman requested shareholders or proxies who voted to disapprove or abstain for such agenda item to mark the voting cards and raise their hands to notify the Company's officers to have their barcodes scanned and their voting cards collected. All shareholders who voted to approve needed to mark the voting cards but were not required to raise their hands. All the voting cards were collected when the meeting adjourned. As for a large number of shareholders who authorized their proxies to the Independent Directors, the Company needed to cast votes of approval, disapproval, or abstention for each agenda item according to their requisition.

9. The results of the vote count shall be announced at the meeting after the completion of the counting of votes for each agenda item. However, vote counting for some agenda items might take longer. In such cases, the Chairman might request the Meeting to proceed with the consideration of the next item on the agenda to avoid disrupting the Meeting. The Meeting is informed of the result as soon as the vote counting has finished.

10. The Company assigned independent representatives from the auditor to check vote counting throughout the Meeting with the shareholders' right protection volunteer from the Thai Investors Association serving as an observer.

11. Shareholders arriving after the Meeting had commenced were allowed to vote on the agenda item being considered provided that a resolution was not yet made. They constituted part of the quorum starting from the agenda item for which they were in attendance and can exercise their rights. As a consequence, the number of shareholders in each agenda item might vary.

12. At the meeting, shareholders were allowed to freely express their opinions, give suggestions and raise questions on any agenda item before casting votes, so that shareholders could obtain sufficiently detailed information on the matter in question. When shareholders had questions or inquiries, the Company's officers were available to answer queries under the authority of the Board.

13. The agenda of the 2020 Annual General Meeting of Shareholders was considered chronologically as it appeared in the invitation letter submitted to shareholders before the Meeting. Moreover, after all agenda items were considered, the Chairman welcomed shareholders' additional queries of their interest before declaring the meeting adjourned.

14. The Company disclosed the voting results and resolutions for each agenda item at the 2020 Annual General Meeting of Shareholders to the public via the SET link and the Company's website after the Meeting ended.

15. 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 , 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 the confidence of investors in making an investment decision with the Company.

➤ Provision of opportunities for minor shareholders to propose matters to be included in the Meeting agenda and to nominate candidates for the election of Board members before the date of the Shareholders' Meeting

The Company has prescribed criteria and procedures whereby minority shareholders may propose agenda items for the Meeting and nominate a qualified candidate(s) to be considered for election as a director of the Company for three months until the end of its financial year. Such rules and procedures are posted on the SET link and the Company's website.

For the 2020 Annual General Meeting of Shareholders, the Company provided an opportunity to shareholders to propose agenda items for the Meeting and nominate a qualified candidate(s) to be considered for election as a director of the Company during October to December 31, 2019. The Agenda Item Proposal Form and/or Nomination for Directors Form along with the required documents must be sent to the Company Secretary or the Investment Relations Department at the Company address or email at ir@aira.co.th.

The criteria are as follows:

Before the Meeting, one or several shareholders holding in aggregate at least 5% of all issued shares of the Company have the right to propose in advance agenda items. The Company Secretary takes responsibility for screening the issues before presenting them to the Nomination and Remuneration Committee for consideration to consider the qualifications of such person and propose the agenda to the Corporate Governance Committee to consider and screen matters that are beneficial and appropriate to be presented in the agenda of the meeting before proposing to the Board of Directors meeting to reconsider the person or

matters that are not approved by the Board of Directors. The company will inform the shareholders after the next board meeting.

In the past year, there were no shareholders proposing meeting agendas or nominating persons to be elected as directors in advance of the 2020 shareholders' meeting in accordance with the aforementioned criteria and methods.

➤ Preventing Misuse of Internal Information

The company gives importance to the use of inside information of the Company that has not yet been disclosed to the public. Or information that may affect the price of the Company's securities for the benefit of oneself or others in the wrong way in which the business operation of the company Directors, executives, employees and related persons must consider and acknowledge various information. That may affect the price of securities and cannot be disclosed to shareholders, investors or the general public. Therefore, the use of inside information of the company is of the utmost importance to be handled appropriately. In order not to misuse it is to take advantage of other people. Which is an offense under the law.

Therefore, in 2014, the Board of Directors in the meeting No. 5/2014 on August 14, 2014 approved the policy of using inside information to buy, sell, transfer, or accept the transfer of the Company's shares as a standard for the performance of directors, executives, employees. Of the company to help protect such individuals from acts that do not comply with the law, the policy is posted on the Company's website. In addition, the communication has been successfully communicated to relevant persons as follows:

- It is prohibited for directors, executives and employees to use inside information, which has not been disclosed to the public to buy, sell, transfer or accept the transfer of the Company's shares 30 days prior to the disclosure of financial statements to the public. The company secretary will notify the directors, management and related employees of the policy before the disclosure of the financial statements on a quarterly basis.

- Directors and executives, as defined by the SEC ("executives"), are required to report their holdings of the Company's securities when there is a change in the Company's securities holding in the event of buying, selling, transferring or accepting the transfer of the Company's securities (Form 59) within 3 working days via the SEC's website from the date of the change, the Commission has followed up on the implementation of the said measure. The change in the holding of the said securities is required to be reported. The Board of Directors shall be informed every time and disclose information on the number of shares held at the end of the year and that are traded during the year of directors and senior management, both directly and indirectly, in the annual report.

In the year 2020, the directors, executives and employees have strictly complied with the said policy. Violate or fail to comply with the rules of insider trading and trading of assets in accordance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

➤ Preventing Conflicts of Interests

The Company realizes the importance of managing the conflicts of interests of related persons, namely, the Board of Directors, top executives, employees in a prudent, fair and transparent manner. As a consequence, the Board of Directors has established policies and measures regarding conflicts of interests as follows:

- Directors, top executives and their related persons must file a report with the Company stating their interests in the management of the Company or a subsidiary when they first take the office. They must also file a report should there be any changes in their interests and at every year end. The Company Secretary shall deliver a copy of such report to the Chairman and Chairman of the Audit Committee within seven days upon the receipt of the report in compliance with the Securities and Exchange Act B.E. 2535. In addition, the reports must be delivered to the Director of the Internal Audit Office to use such information for monitoring and preventing any conflict of interests.
- At the Board of Directors meeting, any director or executive who may have a vested interest in any agenda item under consideration must not attend the meeting or must abstain from voting on such on agenda item. This is to ensure that the Board and executives make decisions in a fair manner for the utmost benefit of shareholders.
- In case the connected transaction requires shareholders' approval, shareholders with a vested interest must abstain from voting on such agenda item as stipulated by law and the Company's Articles of Association.

Chapter 3: Role of Stakeholders

The Board of Directors was aware of the importance of 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 the rights of every group of interested persons, namely;

1) Shareholders

The Company attaches great significance to the shareholders, who are the business owners. As a result, the Board of Directors, which represents the shareholders, as well as the executives and employees are committed to carrying out business in line with the principles of good corporate governance to ensure maximum benefits and long-term value for shareholders.

The Company respects the rights of its shareholders and recognizes its duty in ensuring equitable treatment of all shareholders, as well as the fundamental rights, stipulated by-laws and Articles of Association of the Company, such as the rights to attend the Annual General Meeting of Shareholders, request extraordinary general meetings of shareholders, propose agenda items in advance, elect directors, receive fair remunerations and voice opinions on the Company's business.

2) Employees

❖ Human Rights Respect and Protection

The Company respects and protects the human rights of all its employees, a practice that is embedded in every aspect of its human resources management, from recruitment, remuneration, employee development, to promotion, appointment and transfer. The Company adheres to the principles of equitable treatment and non-discrimination as well as embraces diversity and differences with regard to personal preference, appearance, race, religion, skin color, gender, age and marital status.

❖ Care of Employees

Remuneration Management

The Company oversees its remuneration management to ensure that its employees are offered appropriate, fair, determined by performance level and positions held and paid in the form of salary, and bonus.

In addition, the Company budgets its compensation in accordance with the Company's short and long-term operating results. In the short term, the annual operating results, such as revenues from sales, net profit and EBITDA, will be factored into the equation, while in the long term, the Company's performance of its medium- and long-term plans, including business expansion rates, profit growth, market shares, overall sustainable development performance, and ongoing operational enhancement, is taken into consideration.

Employee Benefits Management

The company has a policy to take care of employees by providing employee welfare at all levels in order to promote well-being and stability, as well as reduce the burden of health care expenses for employees as follows:

- Work-related benefits: allowances, travel expenses, accommodations and uniforms
- Medical benefits: medical and dental expenses, annual checkups.
- Employee assistance benefits: provident funds, accident insurance.

Long-term Employee Care

The company provides a provident fund for its employees in order to provide employees with a quality life after retirement. The company will pay a monthly contribution to the fund at the rate of 5% of the employees' wages. And employees will accumulate monthly contributions to the provident fund at the rate of 5-15% of the employees' voluntary wages.

❖ Development of human resource management in other areas

1. Employee development and training hours

The company pays attention to human resource development by establishing policies and guidelines for the human resource development of the company. Clear and concrete.

To understand the nature of the business of the company. The orientation is organized for new employees at all levels including the principles of governance and business ethics. In order for employees to be aware of such matters from the beginning of their work.

The company places great emphasis on education and research all the time. Therefore, there is a system for borrowing books from the office library that are relevant to the work in various fields.

In the year 2020, the company has sent personnel to attend training and seminars. A total of 15 courses, representing an average of 5 training hours per person per year. The employees also participate in the annual fire drill, which is held on once a year at office building.

In the year 2020, the company has no incidents of accidents or stop work or work-related illness

3) Business Partner / Partner

The company abides by the commercial terms and conditions specified. The purchase price is considered that is right and fair Including stipulated in the procurement regulations not calling or accepting assets or benefits from trading partners. The Company avoids making purchases with partners that violate human rights or violate intellectual property and not doing business with partners who have done illegally.

The company has set a policy to protect property and copyright, whereby the company has policies and practical measures to prevent any cases of infringement of intellectual property. The Company also has a policy to prevent has published it on the Company's website.

4) Customer

The company is committed to responding and providing good service. To create satisfaction and confidence among customers the Company has a policy to treat every customer fairly and equally by keeping the confidentiality of customer information and provide a system to receive customer complaints.

5) Creditors

The company attaches great importance to the equality of all parties involved. Adhere to building trust and treating creditors fairly with the following guidelines for the treatment of creditors:

- Make a contract with creditors legally which is transparent and fair.
- Comply with the terms of the agreements That has been done with all types of creditors strictly.
- Repay the loan with interest to creditors completely and exactly as agreed.
- This is to maintain confidence in creditors. The Company realizes the importance of capital management in order to have a suitable financial structure.

6) Regulatory organizations and government agencies.

The company is committed to complying with all laws, announcements, requirements and regulations set by a strictly governing body.

7) Society and Environment

The company has established a policy on corporate social responsibility (CSR) by training and educating employees on social and environmental matters and encourage employees to join the company's CSR activities on regular basis. Towards sustainable development, which is a CSR activity that the company has carried out for the sixth consecutive year, aims to be a part of the support and development of the education of children and young generation. Wat Khok Sang School, Khok Muang Subdistrict, Phachi District, Ayutthaya province by management and employees of the company has cooperated in participating in such activities

In addition, the Company also foresaw the valuable use of resources. Therefore for activities using waste materials for teaching for the visually impaired. In the production of braille books, the management and staff have collected a table calendar and A4 size paper that are used but still in good condition to give to the Foundation for the Blind in Thailand. Under royal patronage continued annually for the past 6 years.

Contact channels of stakeholders

The Company has set measures for whistleblowing or complaints from all stakeholders, customers and the general public, in particular, direct complaints to the Board of Directors (Whistle Blowing) through various complaint channels such as postage, telephone, fax and e-mail. The company has a fact-checking process. A remedial process including having measures to protect the complainant or whistleblower to build confidence in complainants and whistleblowers and allow the stakeholders to participate in suggesting opinions through two channels as follows;

Channel 1: By e-mail sending to the whistleblower any of the following faculties

- ❖ Board of Directors directors@aira.co.th
- ❖ Audit Committee auditcommittee@aira.co.th
- ❖ Corporate Governance Committee goodgovernance@aira.co.th

Channel 2: By post, specify the envelope page to the whistleblower. Any faculty and followed by the following address

AIRA Capital Public Company Limited
319 Chamchuri Square Building, 12th Floor
Phayathai Road, Pathumwan, Pathumwan, Bangkok 10330

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. The Company provided the disclosure of information and transparency as follows.

1. Compile reports as required by laws related to directors and chief executives and submit such reports to the Securities and Exchange Commission.
2. Establish a policy that requires the Company's directors and executives to report their own interests, and those of any related persons, which are vested interests relating to the management of the Company or its subsidiaries according to the criteria and reporting procedures prescribed by the Company.
3. Establish a policy requiring all the directors to disclose/report their securities trading to the Board of Director's meeting and prescribing the directors and executives to report their holdings of the Company's debentures and ordinary shares in the Company's subsidiaries, as well as the ordinary shareholdings of their spouses, partners in a de facto relationship, and minor children, to the Board of Directors every quarter. They are also required to report the number of shares they hold at year-end together with the number of those traded during the year in the Company's Annual Report.
4. Prepare a report on the Board's responsibility for financial statements and present it along with the Audit Committee's report in the Annual Report.
5. Publish Notice of Annual General Meeting of Shareholders and Annual Report within 120 days after each financial year-end.
6. Publish minutes of the latest and previous Annual General Meeting of Shareholders on the Company's website.
7. Disclose the roles and responsibilities of the Board of Directors and Sub-committee, the number of meetings held, and the number of meetings each individual director and Sub-committee member attended.

8. Disclose the date of the director's appointment in the Company's Annual Report.
9. Disclose the Board member selection process and the Board's performance assessment.
10. Disclose the policy on the remuneration of directors and top executives, including forms, types and amount of remuneration for each committee member.
11. Disclose details of each individual director's attendance of courses offered by the Thai Institute of Directors Association (IOD).
12. Disclose the audit fee and other fees in the Company's Annual Report.
13. Disclose the Company's Memorandum of Association and Articles of Association on the Company's website.
14. Disclose corporate governance policies and related performance.
15. Disclose the updated and material information, which was required for the disclosure in Thai and English languages through the 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.

The company attaches great importance to information disclosure and transparency. Therefore, approved the investor relations code of conduct by allowing the Investor Relations Department It is the main agency for contacting, coordinating and providing information about the company. With third parties including shareholders, institutional investors General investors, analysts and related government sectors in the disclosure of contact information of the Investor Relations Department in the annual report and on the Company's website, as a result, third parties have received more accurate, appropriate and compliant information on corporate governance principles.

Investors Relations

The Company has set up an Investor Relations Unit (IR) to communicate with external parties such as investors, institutional investors. General investors, analysts and related government sectors to provide accurate information and information that has been disclosed to the public. In this regard, information on communication with investor relations includes

Address: Investor Relations Section Accounting and Finance Department
 AIRA Capital Public Company Limited 319 Chamchuri Square Building, 12th Floor
 Phayathai Road, Pathumwan, Pathumwan, Bangkok 10330

E-mail: ir@aira.co.th

Website: <https://www.airacapital.co.th/>

Phone: 0 2080 2999 Fax: 0 2160 5395

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 governing the Company's performance in accordance with laws, objectives, articles of association and resolutions of the shareholders meeting.

In 2020, 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 2020.
- 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 2020.
 - 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 appointing sub-committees.
- 7) Consider the appointment of directors to be representative directors in subsidiaries.
- 8) Consider the disposal of certain shares of the company in a subsidiary.
- 9) Approved the review of the Code of Conduct.
- 10) Approved the review of the Vision and Mission.
- 11) Approved the review of the good corporate governance policy.
- 12) Approved the review of the IT policy.
- 13) Approve the review of the policy on connected transactions.
- 14) Approved the review of the Anti-Corruption policy including with its Guideline.
- 15) Approved the review of charters of the Board of Directors and sub-committees.

- 16) Approved the performance reports of the committees to monitor and supervise the performance of the committees effectively.
- 17) Approved the 2020 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 2020, the total meeting schedule was 7 times. Details of attendances of the directors in Annual General Meeting of Shareholders, Board of Directors' meeting and meetings of the sub-committees are as follows

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 2020, the Board of Directors scheduled the meeting of the non-executive directors on 14 December 2020 in which all of 11 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 2020, the Board of Directors scheduled the meeting of the independent directors on 14 December 2020 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 2020, 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 2020, 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 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 2020 under 6 topics, it was found that most operations were arranged in the Excellent Level with the average score of 3.99 or 99.77 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 2020 under 6 topics, it was found that most operations were arranged in the Excellent Level with the average score of 3.92 or 99.32 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 3.76 or 94.03 percent
3.3	Corporate Governance Committee	Score of 3.96 or 98.98 percent
3.4	Investment Committee	Score of 3.99 or 99.65 percent

4) Performance Evaluation Form for Chief Executive Officer

The Meeting of Board of Directors No. 6/2020 on 13 November 2020 had approved of the Evaluation Form for Chief Executive Officer of 2020 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 2020 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 2020 under 5 topics, it was found that most operations were arranged in the Excellent Level with the average score of 4.89 or 97.80 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”.

- **IOD Directors' Training Program in 2020**

Due to the ongoing and serious trend of the COVID-19 virus outbreak, directors are cautious in the on-site training. Therefore, the training in 2020 did not appear.

However, The Company's directors continually emphasize the importance of personal development. You can see the history of the director's training in each course as follows.

Courses	Number of trained directors (persons)	List of Directors
Director Accreditation Program (DAP)	7	1. Mr. Prasert Bunsumpun 2. Mr. Nopporn Picha 3. Mrs. Chiraporn Chemnasiri 4. M.R. Kasemvisuth Visuthi 5. Mr. Prinya Waiwatana 6. Mr. Wisoot Karnchanapunyapong 7. Mrs. Naline Ngamsetthamas
Director Certification Program (DCP)	9	1. Mr. Anant Sirisaengtaksin 2. Mr. Nopporn Picha 3. Mrs. Chiraporn Chemnasiri 4. Associate Professor Anchalee Pipatanasern 5. Mr. Prinya Waiwatana 6. Associate Professor Niputh Jitprasonk 7. Mrs. Kongkeaw Piamduaytham 8. Mr. Wutthiphum Jurangkool 9. Mr. Serm Sakul Klaikaew
Audit Committee Program (ACP)	4	1. Mrs. Chiraporn Chemnasiri 2. Associate Professor Anchalee Pipatanasern 3. Mr. Prinya Waiwatana 4. Associate Professor Niputh Jitprasonk
Advanced Audit Committee Program (AACP)	4	1. Mr. Anant Sirisaengtaksin 2. Mr. Nopporn Picha 3. Mrs. Chiraporn Chemnasiri

Courses	Number of trained directors (persons)	List of Directors
		4. Mrs . Kongkeaw Piamduaytham
Corporate Governance for Capital Market Intermediaries (CGI)	5	1. Mr. Nopporn Picha 2. Mrs. Chiraporn Chemnasiri 3. Associate Professor Anchalee Pipatanasern 4. Mr .Wisoot Karnchanapunyapong 5. Mrs. Nalinee Ngamsetthamas
Financial Statements for Directors (FSD)	1	1. Mr. Wutthiphum Jurangkool
IOD Exclusive Event (M-IEE)	1	1. Mrs. Nalinee Ngamsetthamas
Monitoring the Internal Audit function (MIA)	2	1. Associate Professor Anchalee Pipatanasern 2. Associate Professor Niputh Jitprasonk
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. Prasert Bunsumpun 2. Associate Professor Anchalee Pipatanasern 3. Mr. Wisoot Karnchanapunyapong 4. Mrs. Nalinee 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. 1/2011 on 21 September 2011 to appoint Miss Netsine Naksuk, who passed the Company Secretary Program 21/2007 and the Effective Minute Taking 6/2007 Program from the Thai Institute of Directors (IOD) to act as the Company secretary, in charge of providing advice on relevant rules and regulations that the Board of Directors is required to know and performance of duties in taking care of activities of the Board of Directors, including coordinating with concerned parties to ensure the implementation of the Board of Directors' resolutions, as well as performing relevant duties in accordance with the rules and requirements of the Office of SEC and the Stock Exchange of Thailand in a correct, complete and legal manner, including communicating with shareholders and taking due care of shareholders.

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 2020, 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. Nomination Committee should consist of Independent Committee	In 31 December 2020, 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.
2. 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 Governance 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 12 Company Directors) had knowledge, expertise, and experiences in the business of the Company.

13. Control and supervision of subsidiaries

As at 31 December 2020, the Company has the following 10 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%
 - 4.2 Aspiration Two Company Limited (“ASP2”), in which AIP has a shareholding of 90%
5. AIRA Leasing Public Company Limited (“AIL”), in which the Company has a shareholding of 71.85%
6. AIRA Venture Capital Limited (“AVC”), in which the Company has a shareholding of 99.99%
7. AIRA Asset Management Company 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.ThorJor 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

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.1/2021 held on February 24, 2021, 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.1/2021, held on February 22, 2021, 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.3/2019, 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 7 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

The Company is well aware that bribery and corruption are serious threats that destroy free and fair competition as well as causing damages to economic and social development. The Company adheres to resist all types of bribery and corruption, causing the Company to be accredited as Thai Private Sector Collective Action Against Corruption or CAC under the support of Thai Institute of Directors or IOD from November 2019 henceforth.

The Board of the Company has determined the policies and practices with the efforts to maintain the ethical standards and the standpoints of the Company in the resistance of all types of bribery and corruption. Therefore, the policies and practices are being reviewed annually as followed:

- 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") and AIRA Factoring Public Company Limited ("AF"),

Moreover, in 2020, the Company has arranged the seminar on anti-corruption with the objectives to emphasize the employees to have an understanding in the anti-corruption policy of the Company, proper guidelines, and effects as well as to enhance the good organizational culture and awareness to employees to place an importance on the compliance with the anti-corruption policy.

AUDIT FEE

1. Audit Fee

In 2020, 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.	570,000	-
AIRA Securities Public Company Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	1,380,000	-
AIRA Factoring Public Company Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	1,010,000	-
AIRA Advisory Company Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	210,000	-
AIRA International Advisory (Singapore) Pte. Ltd.	Pinebridge LLP	-	4,400
AIRA Property Company Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	440,000	-
Aspiration One Company Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	500,000	-
Aspiration Two Company Limited	MS& Associates Limited	30,000	-
AIRA Leasing Public Company Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	970,000	-
AIRA Venture Capital Limited	MS& Associates Limited	30,000	-
AIRA Asset Management Company Limited	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.	120,000	-
Audit Fee		<u>5,260,000</u>	<u>4,400</u>

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 2020, 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

(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 comprehensive income, statements of changes in shareholders' equity, and statements of cash flows from the consolidated financial statements for the year ended 31 December 2020, 31 December 2019, and 31 December 2018 respectively. These financial statements were audited by an Independent Auditor with unqualified opinion for the past 3 consecutive years.

Statements of financial position

(Unit : Baht)

Descriptions	As at 31 December 2020	%	As at 31 December 2019	%	As at 31 December 2018	%
Assets						
Current assets						
Cash and cash equivalents	1,127,787,949	12.27	616,748,137	6.80	582,381,404	7.38
Temporary investments	-	-	78,191,440	0.86	81,369,010	1.03
Receivables from clearing house and broker - dealers	86,917,970	0.95	99,602,834	1.10	122,011,149	1.55
Securities and derivatives business receivables	1,531,194,219	16.65	1,341,029,536	14.79	1,505,052,159	19.06
Factoring receivables	1,822,422,763	19.82	2,399,113,551	26.47	2,292,068,340	29.03
Finance lease current receivables	138,711,881	1.51	110,410,668	1.22	127,310,940	1.61
Hire purchase current receivables	224,215,271	2.44	219,167,570	2.42	169,992,774	2.15
Current portion of loans receivable	210,299,441	2.29	152,078,142	1.68	41,786,828	0.53
Other current receivables	27,852,655	0.30	30,279,282	0.33	27,946,458	0.35
Refundable value added tax	55,596,644	0.60	79,575,438	0.88	62,859,525	0.80
Other current financial assets	269,348,494	2.93	-	-	-	-
Other current assets	55,810,642	0.61	48,494,939	0.54	21,989,110	0.28
Total current assets	5,550,157,929	60.37	5,174,691,537	57.09	5,034,767,697	63.77
Non - current assets						
Restricted deposit	662,557	0.01	662,995	0.01	3,256	0.00
Finance lease non - current receivables	238,863,209	2.60	295,913,882	3.26	312,214,148	3.95
Hire purchase non - current receivables	371,225,748	4.04	417,365,816	4.60	383,625,423	4.86
Non current portion of loans receivable	75,642,541	0.82	9,155,900	0.10	27,280,586	0.35
Investments in associates	460,521,408	5.01	678,428,865	7.48	785,528,877	9.95
Other long - term investments	-	-	3,667,680	0.04	3,256,800	0.04

Statement of financial position (continued)

(Unit : Baht)

Descriptions	As at 31 December 2020	%	As at 31 December 2019	%	As at 31 December 2018	%
Assets held for lease	102,574,233	1.12	89,866,590	0.99	97,740,389	1.24
Investment property	1,884,466,749	20.50	1,953,967,578	21.56	-	-
Equipment	54,598,476	0.59	63,832,975	0.70	79,206,468	1.00
Right - of - use assets	84,411,921	0.92	-	-	-	-
Goodwill	137,736,928	1.50	137,736,928	1.52	137,736,928	1.74
Other intangible assets other than goodwill	119,524,417	1.30	121,106,534	1.34	129,420,441	1.64
Deferred tax assets	35,933,026	0.39	38,829,765	0.43	33,896,307	0.43
Assets held for sale	2,877,948	0.03	3,619,000	0.04	5,481,700	0.07
Leasehold and cost of project under development	-	-	-	-	794,999,702	10.07
Other non - current financial assets	3,667,680	0.04	-	-	-	-
Other non - current assets	70,981,267	0.77	75,362,477	0.83	69,630,802	0.88
Total non - current assets	3,643,688,108	39.63	3,889,516,985	42.91	2,860,021,827	36.23
Total assets	9,193,846,037	100.00	9,064,208,522	100.00	7,894,789,524	100.00
Liabilities and shareholders' equity						
Current liabilities						
Short - term borrowings from financial institutions	1,803,000,000	19.61	2,122,000,000	23.41	2,027,000,000	25.68
Payables to clearing house and broker - dealers	50,873,501	0.55	141,239,408	1.56	211,207,530	2.68
Securities and derivatives business payables	364,379,261	3.96	159,606,571	1.76	151,953,391	1.92
Retention from factoring	41,862,182	0.46	40,291,518	0.44	40,884,858	0.52
Excess receipts awaiting to repay	21,919,654	0.24	67,246,601	0.74	47,823,934	0.61
Other current payables	186,017,733	2.02	383,848,165	4.23	83,432,072	1.06
Current portion of lease liabilities	44,939,568	0.49	13,429,901	0.15	16,718,418	0.21
Current portion of long-term borrowings from financial institutions	70,000,000	0.76	17,500,000	0.19	-	-
Current portion of subordinated debentures	-	-	-	-	200,000,000	2.53
Bills of exchange	794,046,728	8.64	552,310,447	6.09	308,348,432	3.91
Income tax payable	12,445,583	0.14	2,345,917	0.03	8,683,816	0.11
Other current liabilities	121,720,969	1.32	91,236,751	1.01	16,248,485	0.21
Total current liabilities	3,511,205,179	38.19	3,591,055,279	39.62	3,112,300,936	39.42

Statement of financial position (continued)

(Unit : Baht)

Descriptions	As at 31 December 2020	%	As at 31 December 2019	%	As at 31 December 2018	%
Non - current liabilities						
Lease liabilities	25,810,695	0.28	12,328,725	0.14	14,286,229	0.18
Long-term borrowings from financial institutions	912,500,000	9.93	608,000,000	6.71	40,000,000	0.51
Subordinated debentures	150,000,000	1.63	150,000,000	1.65	-	-
Non-current provision for employee benefits	29,798,694	0.32	22,627,793	0.25	28,588,312	0.36
Deferred tax liabilities	13,162,662	0.14	11,862,627	0.13	14,028,559	0.18
Other non - current liabilities	36,195,879	0.39	29,981,870	0.33	24,216,694	0.31
Total non - current Liabilities	1,167,467,930	12.70	834,801,015	9.21	121,119,794	1.53
Total Liabilities	4,678,673,109	50.89	4,425,856,294	48.83	3,233,420,730	40.96
Shareholders' equity						
Share capital						
Authorized share capital						
6,314,878,533 ordinary shares of baht 0.25 each	1,578,719,633		-		-	
7,160,000,000 ordinary shares of baht 0.25 each	-		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	17.17	1,578,719,633	17.42	1,578,719,598	20.00
Premium on shares	3,060,540,270	33.29	3,060,540,270	33.77	3,060,539,816	38.77
Retained earnings (deficit)						
Appropriated - legal reserve	22,047,682	0.24	16,788,645	0.19	16,788,645	0.21
Unappropriated (accumulated deficit)	(1,084,967,983)	(11.80)	(823,372,377)	(9.08)	(658,262,523)	(8.34)
Other component of shareholders' equity	78,443,685	0.85	(3,247,115)	(0.04)	(4,991,594)	(0.06)
Total shareholders' equity of the parent company	3,654,783,287	39.75	3,829,429,056	42.25	3,992,793,942	50.58
Non - controlling interests of the subsidiaries	860,389,641	9.36	808,923,172	8.92	668,574,852	8.47
Total shareholders' equity	4,515,172,928	49.11	4,638,352,228	51.17	4,661,368,794	59.04
Total liabilities and shareholders' equity	9,193,846,037	100.00	9,064,208,522	100.00	7,894,789,524	100.00

Statement of comprehensive income

(Unit : Baht)

Descriptions	For the year ended 31 December 2020	%	For the year ended 31 December 2019	%	For the year ended 31 December 2018	%
Revenues						
Brokerage fees income	422,346,090	42.39	271,705,069	35.49	324,803,075	42.43
Fees and services income	66,998,021	6.72	67,291,674	8.79	68,448,483	8.94
Gain on investments and dividend	57,299,858	5.75	13,496,690	1.76	12,855,340	1.68
Interest income	74,894,321	7.52	105,297,916	13.75	90,740,655	11.85
Interest income from factoring	159,620,728	16.02	177,199,201	23.15	179,721,181	23.48
Interest income on hire purchase and finance leases	77,717,523	7.80	75,629,775	9.88	39,045,231	5.10
Rental and service income	123,832,943	12.43	47,794,154	6.24	51,501,600	6.73
Other income	13,709,824	1.38	7,165,230	0.94	5,873,355	0.77
Total revenues	996,419,308	100.00	765,579,709	100.00	772,988,920	100.00
Expenses						
Personnel expenses	477,286,137	47.90	401,577,043	52.45	393,920,762	51.45
Depreciation and amortization	154,399,428	15.50	64,327,880	8.40	53,689,774	7.01
Fees and services expenses	113,912,328	11.43	66,397,673	8.67	63,479,426	8.29
Bad debt and doubtful accounts	-	-	23,638,876	3.09	30,659,760	4.00
Other expenses	144,296,789	14.48	177,698,893	23.21	177,861,900	23.23
Total expenses	889,894,682	89.31	733,640,365	95.83	719,611,622	94.00
Profit (loss) from operating activities	106,524,626	10.69	31,939,344	4.17	53,377,298	6.97
Finance income	17,207,532	1.73	17,471,307	2.28	33,104,821	4.32
Finance costs	144,097,597	14.46	108,112,599	14.12	97,815,909	12.78
Impairment loss determined in accordance with TFRS 9	9,311,679	0.93	-	-	-	-
Loss on investments	-	-	-	-	14,643,982	1.91
Share of loss from investments in associates	(17,400,223)	(1.75)	(107,032,335)	(13.98)	(111,188,557)	(14.52)
Profit (loss) before income tax expenses	(47,077,341)	(4.72)	(165,734,283)	(21.65)	(137,166,329)	(17.92)
Income tax expenses	29,832,690	2.99	7,593,325	0.99	2,883,225	0.38
Profit (loss) for the years	(76,910,031)	(7.72)	(173,327,608)	(22.64)	(140,049,554)	(18.29)

Statement of comprehensive income (continued)

(Unit : Baht)

Descriptions	For the year ended 31 December 2020	%	For the year ended 31 December 2019	%	For the year ended 31 December 2018	%
Other Comprehensive income (loss)						
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods						
Exchange differences on translation of financial statements in foreign currency	(1,298,000)	(0.13)	4,434,194	0.58	1,785,051	0.23
Loss on re-measuring available-for- sale investments	-	-	(3,177,570)	(0.42)	2,385,975	0.31
Income tax relating to the components of other comprehensive loss	-	-	635,514	0.08	(477,195)	(0.06)
Total other comprehensive income that will be reclassified to profit or loss	(1,298,000)	(0.13)	1,892,138	0.25	3,693,831	0.48
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:						
Loss on investment in equity instruments designed at fair value through other comprehensive income (loss)	(2,568,030)	(0.26)	-	-	-	-
Loss on remeasurements of defined benefit plans	(4,292,056)	(0.43)	(159,223)	(0.02)	(7,258,823)	(0.95)
Share of other comprehensive income (loss) of associates	-	-	(84,595)	(0.01)	378,834	0.05
Income tax relating to the components of other comprehensive loss	1,372,017	0.14	43,456	0.01	616,528	0.08
Total other comprehensive income that will not be reclassified to profit or loss	(5,488,069)	(0.55)	(200,362)	(0.03)	(6,263,461)	(0.82)
Other comprehensive income (loss) for the years - net of income tax	(6,786,069)	(0.68)	1,691,776	0.22	(2,569,630)	(0.34)
Total Other Comprehensive income (loss) for the year	(83,696,100)	(8.40)	(171,635,832)	(22.42)	(142,619,184)	(18.63)

Statement of comprehensive income (continued)

(Unit : Baht)

Descriptions	For the year ended 31 December 2020	%	For the year ended 31 December 2019	%	For the year ended 31 December 2018	%
Profit (loss) for the years attributable to:						
Equity holders of the Company	(37,956,828)	(3.81)	(164,960,130)	(21.55)	(144,347,397)	(18.85)
Non - controlling interests of the subsidiaries	(38,953,203)	(3.91)	(8,367,478)	(1.09)	4,297,843	0.56
	(76,910,031)	(7.72)	(173,327,608)	(22.64)	(140,049,554)	(18.29)
Total Comprehensive income (loss) for the year attributable to:						
Equity holders of the company	(43,722,802)	(4.39)	(163,365,375)	(21.34)	(147,035,920)	(19.21)
Non - controlling interests of the subsidiaries	(39,973,298)	(4.01)	(8,270,457)	(1.08)	4,416,736	0.58
	(83,696,100)	(8.40)	(171,635,832)	(22.42)	(142,619,184)	(18.63)
Earnings (loss) per share						
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company (Baht per share)	(0.006)		(0.027)		(0.024)	
Diluted loss per share						
Loss attributable to equity holders of the Company (Baht per share)	-		(0.027)		(0.024)	

Statement of cash flow

(Unit : Baht)

Descriptions	For the year ended 31 December 2020	For the year ended 31 December 2019	For the year ended 31 December 2018
Cash flows from operating activities			
Loss for the period	(76,910,031)	(173,327,608)	(140,049,554)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid for) operating activities:			
Income tax expense	29,832,690	7,593,325	2,883,225
Depreciation and amortization	154,399,428	64,327,880	53,689,774
Impairment loss determined in accordance with TFRS 9	9,311,679	-	-
Bad debt and doubtful accounts	-	23,638,876	30,659,760
Unrealized (gain) loss on exchange rate	(1,370,434)	-	-
Loss from changes in fair value of investments	5,823,746	-	(54,286)
Loss from lease modification	2,120,606	-	-
Loss (gain) on disposal of equipment and other intangible assets	2,021,359	(1,559,925)	(527,463)
Reserve for impairment of asset held for sale	2,947,200	1,862,700	1,594,600
Gain on disposal of asset held for sale	-	(699,991)	(3,264,936)
Share of loss from investment in associates	17,400,223	107,032,335	111,188,557
Employee benefits expenses	3,573,417	7,445,701	1,992,889
Finance costs	144,097,597	108,112,599	97,815,909
Interest income	(92,101,853)	(122,769,223)	(123,845,476)
Dividend income	(3,838,760)	(6,199,965)	(12,855,340)
Interest income on hire purchase and finance leases	(77,717,523)	(75,629,775)	(39,045,231)
Profit (loss) from operating activities before changes in operating assets and liabilities	119,589,344	(60,173,071)	(19,817,572)
Operating assets decrease (increase)			
Receivables from clearing house and broker - dealers	12,684,864	22,408,315	277,285,153
Securities and derivatives business receivables	(145,128,478)	241,792,265	154,413,468
Factoring receivables	558,410,585	(115,420,925)	341,032,304
Finance lease receivables	58,907,356	63,913,676	(250,548,448)
Hire purchase receivables	86,259,966	(40,052,210)	(483,623,193)
Loans receivable	(127,141,491)	(103,754,557)	(44,911,264)
Other current receivables	4,519,131	(3,954,399)	33,783,259
Refundable value added tax	23,978,794	(16,715,913)	(32,741,258)
Other current financial assets	(199,548,830)	-	4,074,302
Other current assets	3,529,112	(24,300,415)	(21,610,909)
Other non-current assets	88,574,034	(6,393,897)	(5,630,342)

Statement of cash flow (continued)

(Unit : Baht)

Descriptions	For the year ended 31 December 2020	For the year ended 31 December 2019	For the year ended 31 December 2018
Operating liabilities increase (decrease)			
Payables to Clearing House and broker-dealers	(90,365,907)	(69,968,122)	82,772,434
Securities and derivatives business payables	204,772,690	7,653,180	(583,165,173)
Other current payables	(239,831,467)	6,684,856	31,075,856
Retention from factoring	1,570,664	(593,340)	3,632,748
Excess receipts awaiting to repay	(45,326,947)	19,422,667	10,724,004
Other current liabilities	30,510,203	85,236,422	2,188,500
Provision for long-term employee benefits	-	(13,406,220)	(2,274,850)
Other non-current liabilities	12,905,729	5,765,176	18,666,859
Cash received from (paid for) operations	358,869,352	(1,856,512)	(484,674,122)
Cash received from interest and dividend	43,772,167	49,579,040	101,642,995
Cash paid for interest expenses	(141,637,557)	(116,094,646)	(88,384,896)
Cash paid for corporate income tax	(30,354,707)	(21,001,769)	(21,776,033)
Net cash provided by (used in) in operating activities	230,649,255	(89,373,887)	(493,192,056)
Cash flows from investing activities			
Increase (decrease) in deposits at financial institutions pledged as collateral	438	(659,739)	(90)
Cash paid for purchases investment in other long - term investments	-	(410,880)	(256,800)
Cash paid for of assets held for lease	(7,637,557)	(2,407,450)	(6,335,084)
Cash paid for purchases of equipment and other intangible assets other than goodwill	(27,405,027)	(10,248,749)	(28,960,221)
Cash received (paid) from sales of equipment	5,524,945	1,587,423	648,736
Cash received (paid) from sales of assets held for sale	(1,915,163)	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 provided by (used in) investing activities	(31,432,364)	(881,594,993)	(334,744,053)
Cash flows from financing activities			
Cash received from short-term borrowings from financial institutions	-	95,000,000	-
Cash paid for short-term borrowings from financial institutions	(319,000,000)	-	(290,000,000)
Cash received from long-term borrowings from financial institutions	357,000,000	585,500,000	40,000,000
Cash paid for liabilities under finance lease agreements	(54,081,440)	(21,954,335)	(19,170,348)
Cash paid for interest under lease agreements	(5,924,311)	-	-
Cash received from bills of exchange	449,686,905	601,736,488	2,111,494,587
Cash paid for bills of exchange	(206,000,000)	(358,000,000)	(1,910,000,000)

Statement of cash flow (continued)

(Unit : Baht)

Descriptions	For the year ended 31 December 2020	For the year ended 31 December 2019	For the year ended 31 December 2018
Cash paid for dividend	-	-	(40,092,775)
Cash paid for debt issued	-	(200,000,000)	-
Cash received from debt issued	-	150,000,000	-
Proceeds from increase in capital of subsidiary from non-controlling interest	100,999,996	160,000,000	20,651,915
Dividend paid to non - controlling interests by subsidiaries	(9,560,229)	(11,381,223)	(19,348,078)
Proceeds from advance receipt exercise of warrants	-	489	550,092,649
Net cash provided by financing activities	313,120,921	1,000,901,419	443,627,950
Differences on translation of financial statements	(1,298,000)	4,434,194	1,785,051
Net increase (decrease) in cash and cash equivalents	511,039,812	34,366,733	(382,523,108)
Cash and cash equivalents as at January 1,	616,748,137	582,381,404	964,904,512
Cash and cash equivalents as at December 31,	1,127,787,949	616,748,137	582,381,404
Supplemental cash flows information			
Non - cash items			
Purchase of equipment recorded as liabilities	-	37,450	2,608,803
Purchase of equipment recorded as lease liabilities	49,794,211	2,483,568	31,004,646
Loss on investment in equity instruments designated at fair value through other comprehensive income - net of income tax	(2,054,424)	(2,542,056)	1,908,780
Loss on actuarial gain and loss - net of income tax	(3,433,645)	16,919	(6,642,295)

2) Ratio Analysis

Financial ratio	31 December 2020	31 December 2019	31 December 2018
Profitability Ratio			
Gross profit margin – Securities business (%)	34.47%	27.99%	30.67%
Gross profit margin – Factoring business (%)	79.04%	75.60%	76.20%
Interest rate income - Factoring business (%)	8.86%	9.33%	8.99%
Interest rate expenses - Factoring business (%)	2.49%	2.99%	2.75%
Interest Rate Spread - Factoring business (%)	6.37%	6.34%	6.24%
Gross profit margin – Leasing business (%)	46.59%	56.10%	64.36%
Net profit margin (%)	(7.59%)	(22.13%)	(17.37%)
Return on equity: ROE (%)	(1.04%)	(4.22%)	(3.79%)
Efficiency Ratio			
Current Ratio	1.58	1.44	1.62
Return on asset: ROA (%)	(0.84%)	(2.04%)	(1.76%)
Asset turnover	0.11	0.09	0.10
Financial Ratio			
Current asset to asset ratio	0.60	0.57	0.64
Performing asset to asset ratio	0.44	0.48	0.54
Debt to asset ratio	0.51	0.49	0.41
Debt to equity ratio	1.04	0.96	0.69
Lending ratio per loan - Factoring business (%)	134.18%	131.44%	128.64%
Lending ratio per loan - Leasing business (%)	121.47%	126.88%	179.40%
Dividend Payout Ratio (%)	-	-	341.82%
Information per share (Baht)			
Par value per share	0.25	0.25	0.25
Book value per share	0.72	0.73	0.74
Basic earnings per share (Profit attributable to equity holders of the Company)	0.006	(0.027)	(0.024)
Diluted earnings per share (Profit attributable to equity holders of the Company)	-	(0.027)	(0.024)
Dividend per share	-	-	0.0065

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 separate financial statements.
- Book value per share: Shareholders' equity / Number of Ordinary shares issued.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

1. Overview of Operations and Key Factors

The Company is a holding company and primarily engaged in investment in other companies. In 2020, operations of the whole group which included the Company, its subsidiaries, and associates created total revenue of Baht 2.8 billion. Total revenue portion from the Company and its subsidiaries from Securities business, Factoring business, Leasing business, Advisory and Investment Banking business, and Property development business were reported at Baht 1,014 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 its operating result has been improving over the past 5 years. It can be said that, in 2020, the whole group of companies which included subsidiaries and associates had created higher total revenues comparing to previous years. However, many factors; such as economic factors, market status, competitors, and policy directions in 2020, had affected 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 2020, the overall Thai economy had contracted due to an impact from the Coronavirus disease 2019 that adversely affected the Export sector and Domestic Income and Employment, especially in Tourism industry. Thailand's GDP in 2020 registered a contraction of 6.1% in 2020 comparing to a 2.3% expansion in 2019. The Exports, Private domestic consumption, and Public and Private Investment in 2020 had contracted by 6.6%, 1.0%, and 4.8% respectively.

On the other hand, there was high trading volume in securities market. In 2020, SET's and mai's average daily trading value combined was Baht 68,607 million, a 29% growth comparing to that of year 2019. SET has been the most liquid stock market in ASEAN since 2012 having the top daily average trading value in November 2020 and December 2020. The Stock Exchange Price index (SET Index) as at December 2020 closed at 1,449.35, a 8.3% drop comparing to the end of 2019. The combined market capitalization of SET and mai at the end of 2020 was Baht 14.84 trillion. Technology, Industrial, and Consumption groups outpaced SET index.

In addition, in 2020 TFEX recorded and average daily trading volume of 494,624 contracts, a 15.5% increase from previous year. The average daily trading volume was at peak in December 2020 at 757,066 contracts.

Major updates of the companies in the year 2020

- (1) Investment Business, operated by AIRA Capital Public Company Limited had sold 100 million of the shares which it held in AIRA Leasing Public Company Limited (20% of the registered capital) to NEC Capital Solutions Limited, a company listed in Tokyo Stock Exchange, to form a business alliance. After such shares sales transaction, the Company still has a control over AIRA Leasing Public Company Limited which is a subsidiary with 71.85% shareholding.
- (2) Property Development Business, operated by Aspiration One Company Limited which engaged in developing office building for rent “Spring Tower” located at Ratchathewi intersection. The construction and development of the Spring Tower has completed and be available to use since the beginning of 2020.
- (3) 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 2020, AIRA&AIFUL Public Co., Ltd. has 47 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 2020, AIRA&AIFUL Public Co., Ltd. reported total loan amount of Baht 6,351 million with number of customer accounts of 370,000 accounts.
- (4) Securities and Asset Management Business, operated by AIRA Asset Management Company Limited had been granted a Type C license from the Ministry of Finance to operate securities business in November 2020. The Securities and Exchange Commission has permitted this company to operate as an advisor and management fund of derivatives business since December 2020 and currently the Company is in the process of obtaining permission to operate asset management business from the Securities and Exchange Commission.

2. Operating Results and Profitability

As described earlier in the Overview of Operations and Key Factors section about 2020 economic and market situation, despite impact from the Coronavirus disease 2019 that affected Thailand’s economy and business operation, the Company and its subsidiaries have managed to maintain revenues growth for the group. For the year 2020, the Company reported total revenues of Baht 170 Million and profit of Baht 105 Million in the separate statement of income. Majority of income came from dividend income from subsidiaries of Baht 75 Million and gain on selling investment of Baht 85 Million in December 2020. Such shares sales transaction was recognized as a part of “Gain on investments and dividend” in the separate statement of income. However, to comply with TFRS 10 (Amended 2018) Consolidated Financial Statements, such gain is not presented in the consolidate statement of income as following the transaction the Company still has a control over AIRA Leasing Public Company Limited with 71.85 percent shareholding.

For consolidated financial results of 2020, the Company and its subsidiaries reported total revenues of Baht 1,014 Million, a 29% increase compared to previous year, which resulted in an improvement in its operating results. The income is growing continuously as planned.

For a subsidiary in the Property development business, the office building has officially started its operation in February 2020. Despite an impact from the Coronavirus disease 2019, a subsidiary has managed to acquire numbers of lessees with acceptable occupancy rate and generate rental and service income of Baht 79 Million for the year 2020. In addition, the full depreciation and amortization along with finance cost has just been recognized as expenses in the year 2020. The investment property (Spring Tower) at cost is Baht 1,962 Million.

Details of revenues reported in the consolidated statement for the year 2020 are summarized as follows.

- (1) Brokerage fees income, gain on investments and dividend, and interest income which are major income from Security business were Baht 555 Million, increased 42 % YoY. Such increase was due to an increase in trading volume of both current customers and new customers in equity market, derivatives market, and global market.
- (2) Fees and services income and interest income from factoring totaling Baht 227 Million, decreased 7% YoY due to a decrease in purchase volume as customers of a factoring business in several industries were impacted by Coronavirus disease 2019.
- (3) Interest income on hire purchase and finance leases of Baht 78 Million, which are major revenues from Leasing business, increased 3% YoY despite impact from Coronavirus disease 2019 to a subsidiary's customers who operates in Tourism and Logistic industries. The Company is able to maintain its receivables port size and risk at the appropriate level.
- (4) Rental and service income Baht 124 Million comprised of Baht 45 Million operating lease income from Leasing business and Baht 79 Million rental and service income from Property development business, increased 159% YoY. Such increase resulted from rental and service income of the Property development business as an operation just started at the beginning of 2020.

For expenses for the year 2020, the Company and its subsidiaries reported total operating expenses (including finance costs but before share of loss from investments in associates and income tax) at Baht 1,043 Million, a 24% increase comparing to previous year. Details of major changes in expenses are as follows.

- (1) An increase in Depreciation and amortization and Finance costs due to the completion of development of Investment property (Office building for rent – Spring Tower) at the end of 2019. Once the development of Investment property was completed and available to use, a subsidiary transferred entire of leasehold and cost of project under development to be Investment property and then start

recognizing depreciation and amortization of Baht 65 Million and finance costs incurred after completion of Baht 34 Million as expenses.

- (2) An increase in Fees and services expenses caused by an increase in fees paid to Stock Exchange of Thailand (SET), Thailand Future Exchange (TFEX), and The Thailand Clearing House (TCH) totaling Baht 37 Million, which was in line with an increase in Trade volume of Securities business. In addition, there were services fees incurred related to an operation of office building (Spring Tower) that started its operation at the beginning of 2020.

Share of loss from investment in associates for the year 2020 was Baht 17 Million which mostly represented share of loss from AIRA & AIFUL Public Company Limited. The operation results of AIRA & AIFUL Public Company Limited had improved 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, along with an impact of Coronavirus disease 2019 to Thai economic which then in turn affected credit lending expansion target and number of customers target. Hence, the Company reported some less significant loss in 2020, whereas recognized share of loss from subsidiaries of Baht 107 million and Baht 111 million for the year 2019 and 2018 respectively. The trend has represented an improvement in the operating result of associates as planned.

After incorporated share of loss from investment in associates, the consolidated financial statements of the Company and its subsidiaries reported net loss for the year 2020 of Baht 77 Million, comparing to net loss of Baht 173 of the previous year.

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

- (1) Gross profit margin of securities business in 2020 was 34.47%, increase from 27.99% in 2019. In general, the Company had higher income due to an increase in trading volume in equity market, derivatives market, and global market. Besides, an increasing in proportion of revenue from Gain from Investment resulted in an improvement in gross profit margin.
- (2) Gross profit margin of factoring business in 2020 was 79.04%, comparing to 75.60% in 2019. The Company benefited from the declining level of the target policy interest rate announce by BOT in 2020. This resulted in lower cost of fund in 2020 when comparing to the previous year.
- (3) Gross profit margin of leasing business in 2020 was 46.59% compared to 56.10% of previous year. The Company had higher finance cost, as the borrowings was in form of Bills of exchange with an average interest rate of 4.6% in year 2020.

3. Financial position and ability to manage operating assets

As of 31 December 2020, 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 2020, which been prepared according to basis of consolidation, was Baht 9,194 million, a Baht 130million increase from total assets as of 31 December 2019 or 1.43% 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 2020 of Baht 87 million and Baht 1,531 million respectively, increasing Baht 177 million from 2019. Such increase was in line with an increase in securities market's overall trade volume.

Factoring business reported factoring receivables balance as of 31 December 2020 at Baht 1,822 million, decreasing Baht 577 million or 24% from that of 31 December 2019.

Leasing business reported Finance lease receivables as of 31 December 2020 at Baht 378 million a Baht 29 million or 6% decrease comparing to Finance lease receivables as of 31 December 2019. On the other hand, Hire purchase receivables as of 31 December 2020 was Baht 595 million, a Baht 41 million or 9% decrease comparing to Hire purchase receivables as of 31 December 2019.

Loans receivable which being debtors in leasing and factoring business, as of 31 December 2020 was Baht 286 million, a Baht 125 million increase from previous year.

Total liabilities of the Company and its subsidiaries as of 31 December 2020 was Baht 4,679 million, a Baht 253 million increase or 6% growth compared to total liabilities of Baht 4,426 million as of 31 December 2019. Major increases were from securities and derivatives business payables, lease liabilities, borrowings from financial institutions, bills of exchange. On the other hand, payables to clearing house and broker – dealers, excess receipts awaiting to repay, and other current liabilities had decreased when comparing to previous year.

Shareholders' equity of the Company and its subsidiaries as of 31 December 2020 was Baht 4,515 million, a decrease of Baht 123 million compared to that of 31 December 2019. Such decrease was mainly owing to an impact from adopting new and revised Thai Financial Reporting Standards related to Financial Instruments, and resulted in a Baht 216 million deficit adjusted to the opening balance of retained earnings/deficit. As a result of an increase in total liabilities balance along with a decrease in shareholders equity, debt to equity ratio has increased from 0.96 as of 31 December 2019 to 1.04 as of 31 December 2020.

4. Liquidity and capital adequacy

Currently major source of fund of the Company is from equity. The Company has a policy in promoting subsidiaries' 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 2020, subsidiaries have overdraft, short-term and long-term facilities limits from various financial institutions, with unutilized facilities of Baht 2,467 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 have the net liquidity fund at the end of any working day not less than 7% of the general liabilities. As of 31 December 2018, 2019, and 2020, AIRA Securities Public Company Limited ("AS") had a net capital adequacy ratio of 174.30%, 137.05%, and 96.88% 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.

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, 2020, which have been audited according to generally accepted accounting standards by the Company's auditor. The auditor has given the opinion that the financial statements correctly indicate the financial status and operational outcomes of the Company in essence and with adherence to generally accepted accounting principles.

Mr. Prasert Bunsumpun
Chairman of the Board of Directors

Mrs. Naline Ngamsetthamas
Chief Executive Officer

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, 2020, and the related consolidated and separate statements of 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, 2020, 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.

Emphasis of Matters

We draw attention to Note 3 to the interim financial statements that AIRA Capital Public Company Limited and its subsidiaries have adopted new Thai Financial Reporting Standards which effected the presentation and disclosure in the current period financial statements and elected to adopt the accounting treatment guidance on the temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy and the accounting treatment guidance on the temporary relief measures for additional accounting alternatives to alleviate the impacts from the Coronavirus disease 2019 outbreak issued by the Federation of Accounting Professions. Our opinion is not modified in respect of these matters.

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>Allowance for expected credit losses of a subsidiary - Factoring business</p> <p>The allowance for expected credit losses (“ECL”) for factoring receivables and loan receivables is considered to be a matter of most significance as it requires the application of judgment, estimation and the use of subjective assumptions by management including forward economic looking.</p> <p>Starting from January 1, 2020, the Thai Financial Reporting Standard No. 9 “Financial Instruments” (“TFRS 9”) was applied. This standard requires the Company to recognize impairment loss based on expected credit losses.</p> <p>The ECL is measured based forward-looking information basis by calculating on a probability-weighted credit losses with respective risk of expected cash shortfalls either based on credit events arising in the 12 months from the reporting date or based on credit events arising over the lifetime of the financial instrument; depending on the significant increase in credit risk (“SICR”) since initial recognition.</p> <p>Accounting policy for allowance for expected credit losses and details of allowance for expected credit losses were disclosed in Note 4.1.1, Note 11 and Note 14 to the financial statements.</p>	<p>Key audit procedures</p> <p>In respect of the first-time adoption of TFRS 9, our procedures for assessing the appropriateness of the implementation of the new standard included, among other things, the following procedures:</p> <ul style="list-style-type: none"> - Assessing the adjustments made to the opening balances on January 1, 2020, resulted from the first time adoption of TFRS 9. - Assessment of the completeness and appropriateness of disclosures, including those related to the first-time adoption of TFRS 9, as well as quantitative and qualitative requirements. - Understanding and testing design and operating effectiveness of key controls across the processes relevant to the ECL. This included the classification of assets into stages, data accuracy and completeness, credit monitoring, multiple economic scenarios, and individual provisions. - Involvement of our internal specialists to assess the model documentation. This included assessing the appropriateness of model design, assumptions, formulas used and post model adjustments and compliance with the requirements of TFRS 9. - Evaluating relevant inputs and assumptions used by management in each stage of the expected credit loss calculation by considering whether the inputs and assumption appear reasonable, considering the historical loss experience and adjust this for current observable data and considering the relationship between those assumptions and forecast of reasonable and supportable future economic conditions. - Considering the criteria used to classify factoring receivables and loan receivables to stage 1, 2 and 3 in accordance with TFRS 9. Testing sample of assets in stage 1, 2 and 3 to verify that they were classified to the appropriate stage. - Assessing the adequacy and appropriateness of the disclosure in accordance with Group of Financial Instruments Standards.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and separate financial statements and our auditor's report thereon, 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 management and those charged with governance for correction of the misstatement.

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 the 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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.

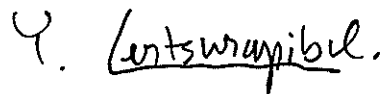
As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 and the Company'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 and the Company 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.

A handwritten signature in black ink, reading 'Y. Lertsurapibul'.

Yongyuth Lertsurapibul
Certified Public Accountant (Thailand)
Registration No. 6770

BANGKOK
February 24, 2021

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, 2020

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,
		2020	2019	2020	2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	1,127,787,949	616,748,137	618,469,981	135,779,521
Temporary investments	8	-	78,191,440	-	-
Receivables from Clearing House and broker - dealers	9	86,917,970	99,602,834	-	-
Securities and derivatives business receivables	10	1,531,194,219	1,341,029,536	-	-
Factoring receivables	11	1,822,422,763	2,399,113,551	-	-
Finance lease current receivables	12	138,711,881	110,410,668	-	-
Hire purchase current receivables	13	224,215,271	219,167,570	-	-
Current portion of loans receivable	14	210,299,441	152,078,142	-	-
Short-term loans to related parties	6	-	-	294,954,871	588,221,600
Other current receivables	16	27,852,655	30,279,282	24,493,485	29,102,803
Refundable value added tax		55,596,644	79,575,438	-	-
Other current financial assets	8	269,348,494	-	-	-
Other current assets	17	55,810,642	48,494,939	739,300	878,216
Total Current Assets		5,550,157,929	5,174,691,537	938,657,637	753,982,140
NON-CURRENT ASSETS					
Restricted deposit		662,557	662,995	-	-
Finance lease non-current receivables	12	238,863,209	295,913,882	-	-
Hire purchase non-current receivables	13	371,225,748	417,365,816	-	-
Non current portion of loans receivable	14	75,642,541	9,155,900	-	-
Investments in associates	18	460,521,408	678,428,865	1,241,799,970	1,241,799,970
Investments in subsidiaries	19	-	-	2,570,782,501	2,650,782,507
Other long-term investments	21	-	3,667,680	-	-
Assets held for lease	22	102,574,233	89,866,590	-	-
Investment property	23	1,884,466,749	1,953,967,578	-	-
Equipment	24	54,598,476	63,832,975	876,391	1,539,330
Right-of-use assets	27	84,411,921	-	6,428,146	-
Goodwill	20	137,736,928	137,736,928	-	-
Other intangible assets other than goodwill	25	119,524,417	121,106,534	451,331	740,111
Deferred tax assets	41	35,933,026	38,829,765	-	-
Assets held for sale	26	2,877,948	3,619,000	-	-
Other non-current financial assets	21	3,667,680	-	-	-
Other non-current assets	28	70,981,267	75,362,477	1,721,819	1,603,895
Total Non-current Assets		3,643,688,108	3,889,516,985	3,822,060,158	3,896,465,813
TOTAL ASSETS		9,193,846,037	9,064,208,522	4,760,717,795	4,650,447,953

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

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2020

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,
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions	29	1,803,000,000	2,122,000,000	-	-
Payables to Clearing House and broker - dealers	30	50,873,501	141,239,408	-	-
Securities and derivatives business payables	31	364,379,261	159,606,571	-	-
Retention from factoring		41,862,182	40,291,518	-	-
Excess receipts awaiting to repay		21,919,654	67,246,601	-	-
Other current payables	32	186,017,733	383,848,165	571,276	579,913
Current portion of lease liabilities	33	44,939,568	13,429,901	4,915,187	-
Current portion of long-term borrowings from financial institutions	37	70,000,000	17,500,000	-	-
Bills of exchange	34	794,046,728	552,310,447	-	-
Income tax payable		12,445,583	2,345,917	-	-
Other current liabilities	36	121,720,969	91,236,751	459,393	1,802,702
Total Current Liabilities		3,511,205,179	3,591,055,279	5,945,856	2,382,615
NON-CURRENT LIABILITIES					
Lease liabilities	33	25,810,695	12,328,725	1,705,004	-
Long-term borrowings from financial institutions	37	912,500,000	608,000,000	-	-
Subordinated debentures	35	150,000,000	150,000,000	-	-
Non-current provision for employee benefits	38	29,798,694	22,627,793	2,400,355	2,120,475
Deferred tax liabilities	41	13,162,662	11,862,627	-	-
Other non-current liabilities		36,195,879	29,981,870	-	459,005
Total Non-current Liabilities		1,167,467,930	834,801,015	4,105,359	2,579,480
TOTAL LIABILITIES		4,678,673,109	4,425,856,294	10,051,215	4,962,095

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2020

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	39				
Authorized share capital					
6,314,878,533 ordinary shares of Baht 0.25 each		1,578,719,633		1,578,719,633	
7,160,000,000 ordinary shares of Baht 0.25 each			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	1,578,719,633	1,578,719,633
Premium on shares		3,060,540,270	3,060,540,270	3,060,540,270	3,060,540,270
Retained earnings (deficit)					
Appropriated					
Legal reserve	40	22,047,682	16,788,645	22,047,682	16,788,645
Unappropriated (accumulated deficit)		(1,084,967,983)	(823,372,377)	89,358,995	(10,562,690)
Other component of shareholders' equity		78,443,685	(3,247,115)	-	-
Total shareholders' equity of the parent company		3,654,783,287	3,829,429,056	4,750,666,580	4,645,485,858
Non-controlling interests of the subsidiaries		860,389,641	808,923,172	-	-
TOTAL SHAREHOLDERS' EQUITY		4,515,172,928	4,638,352,228	4,750,666,580	4,645,485,858
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,193,846,037	9,064,208,522	4,760,717,795	4,650,447,953

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

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
REVENUES					
Brokerage fees income	42	422,346,090	271,705,069	-	-
Fees and services income	43	66,998,021	67,291,674	1,720,000	-
Gain on investments and dividend		57,299,858	13,496,690	159,639,772	28,618,777
Interest income		74,894,321	105,297,916	-	-
Interest income from factoring		159,620,728	177,199,201	-	-
Interest income on hire purchase and finance leases		77,717,523	75,629,775	-	-
Rental and service income		123,832,943	47,794,154	-	-
Other income		13,709,824	7,165,230	1,050,737	4,319
Total Revenues		996,419,308	765,579,709	162,410,509	28,623,096
EXPENSES					
Personnel expenses		477,286,137	401,577,043	50,405,347	50,982,007
Depreciation and amortization		154,399,428	64,327,880	5,918,365	1,230,575
Fees and services expenses		113,912,328	66,397,673	5,477,422	2,092,747
Bad debt and doubtful accounts	46	-	23,638,876	-	-
Other expenses	44	144,296,789	177,698,893	2,944,324	14,856,620
Total Expenses		889,894,682	733,640,365	64,745,458	69,161,949
Profit (loss) from operating activities		106,524,626	31,939,344	97,665,051	(40,538,853)
Finance income		17,207,532	17,471,307	8,065,849	13,917,665
Finance costs		144,097,597	108,112,599	550,178	-
Impairment loss determined in accordance with TFRS 9	46	9,311,679	-	-	-
Share of loss from investments in associates		(17,400,223)	(107,032,335)	-	-
Profit (loss) before income tax expenses		(47,077,341)	(165,734,283)	105,180,722	(26,621,188)
Income tax expenses	41	29,832,690	7,593,325	-	-
Profit (loss) for the years		(76,910,031)	(173,327,608)	105,180,722	(26,621,188)

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
OTHER COMPREHENSIVE INCOME (LOSS)					
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of financial statements in foreign currency		(1,298,000)	4,434,194	-	-
Loss on re-measuring available-for-sale investments		-	(3,177,570)	-	-
Income tax relating to the components of other comprehensive loss		-	635,514	-	-
Total other comprehensive income that will be reclassified to profit or loss		(1,298,000)	1,892,138	-	-
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:					
Loss on investment in equity instruments designed at fair value through other comprehensive income (loss)		(2,568,030)	-	-	-
Loss on remeasurements of defined benefit plans		(4,292,056)	(159,223)	-	-
Share of other comprehensive income (loss) of associates		-	(84,595)	-	-
Income tax relating to the components of other comprehensive loss		1,372,017	43,456	-	-
Total other comprehensive income that will not be reclassified to profit or loss		(5,488,069)	(200,362)	-	-
Other comprehensive income (loss) for the years - net of income tax		(6,786,069)	1,691,776	-	-
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		(83,696,100)	(171,635,832)	105,180,722	(26,621,188)
PROFIT (LOSS) FOR THE YEARS ATTRIBUTABLE TO:					
Equity holders of the Company		(37,956,828)	(164,960,130)	105,180,722	(26,621,188)
Non-controlling interests of the subsidiaries		(38,953,203)	(8,367,478)	-	-
		<u>(76,910,031)</u>	<u>(173,327,608)</u>		
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEARS ATTRIBUTABLE TO:					
Equity holders of the Company		(43,722,802)	(163,365,375)	105,180,722	(26,621,188)
Non-controlling interests of the subsidiaries		(39,973,298)	(8,270,457)	-	-
		<u>(83,696,100)</u>	<u>(171,635,832)</u>		
Earnings (loss) per share					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company (Baht per share)		(0.006)	(0.027)	0.017	(0.004)
Diluted loss per share					
Loss attributable to equity holders of the Company (Baht per share)		-	(0.027)	-	(0.004)

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

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS									
		Equity attributable to shareholders of the Company									
		Other component of shareholders' equity									
		Capital surplus		Exchange		Total other component of shareholders' equity		Total equity attributable to shareholders of the Company		Equity attributable to non-controlling interests of the subsidiaries	
		Issued and paid-up share capital	Premium on shares	Retained earnings (deficit)	Unappropriated (accumulated deficit)	Appropriated - Legal reserve	Capital surplus (deficit) from change in shareholding in subsidiary	Revaluation surplus (deficit) in investment	Translation of financial statement in foreign currency	Total equity attributable to shareholders of the Company	Total equity attributable to non-controlling interests of the subsidiaries
Balance as at January 1, 2019		1,578,719,598	3,060,539,816	16,788,645	(658,262,523)	11,126,856	(19,896,619)	3,778,169	(4,991,594)	3,992,793,942	668,574,852
Loss for the year		-	-	-	(164,960,130)	-	-	-	-	(164,960,130)	(8,367,478)
Other comprehensive income (loss) for the year		-	-	-	(149,724)	-	4,286,535	-	-	1,594,755	97,021
Total comprehensive income (loss) for the year		-	-	-	(165,109,854)	-	4,286,535	-	-	(163,365,375)	(8,270,457)
Dividend paid for non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	(11,381,223)
Non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	160,000,000
Capital increase due to conversion of warrants		35	454	-	-	-	-	-	-	489	-
Balance as at December 31, 2019		1,578,719,633	3,060,540,270	16,788,645	(823,372,377)	11,126,856	(22,438,675)	8,064,704	(3,247,115)	3,829,429,056	808,923,172
Balance as at January 1, 2020 before adjustment		1,578,719,633	3,060,540,270	16,788,645	(823,372,377)	11,126,856	(22,438,675)	8,064,704	(3,247,115)	3,829,429,056	808,923,172
Effect of change in accounting policy		-	-	-	(215,922,967)	-	-	-	-	(215,922,967)	-
Balance as at January 1, 2020 after adjustment		1,578,719,633	3,060,540,270	16,788,645	(1,039,295,344)	11,126,856	(22,438,675)	8,064,704	(3,247,115)	3,613,506,089	808,923,172
Loss for the year		-	-	-	(37,956,828)	-	-	-	-	(37,956,828)	(38,953,203)
Other comprehensive loss for the year		-	-	-	(2,456,774)	-	-	(1,254,776)	-	(5,765,974)	(1,020,095)
Total comprehensive loss for the year		-	-	-	(40,413,602)	-	-	(1,254,776)	-	(43,722,802)	(39,973,298)
Dividend paid for non-controlling interest of the subsidiary		-	-	-	-	-	-	-	-	-	(9,560,229)
Appropriation of retained earnings		-	-	5,259,037	(5,259,037)	-	-	-	-	-	-
Capital surplus (deficit) from changes in shareholding in subsidiaries		-	-	-	-	85,000,000	-	-	-	85,000,000	-
Non-controlling interests of the subsidiaries increase due to the investment in subsidiaries		-	-	-	-	-	-	-	-	-	100,999,996
Balance as at December 31, 2020		1,578,719,633	3,060,540,270	22,047,682	(1,084,967,983)	96,126,856	(24,493,099)	6,809,928	78,443,685	3,654,785,287	860,389,641

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

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	SEPARATE FINANCIAL STATEMENTS					Unit : Baht
		Issued and paid-up share capital	Premium on shares	Retained earnings (deficit)		Total shareholders' equity	
				Appropriated - Legal reserve	Unappropriated (accumulated deficit)		
Balance as at January 1, 2019		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 loss for the year		-	-	-	(26,621,188)	(26,621,188)	
Capital increase due to conversion of warrants		35	454	-	-	489	
Balance as at December 31, 2019		1,578,719,633	3,060,540,270	16,788,645	(10,562,690)	4,645,485,858	
Balance as at January 1, 2020		1,578,719,633	3,060,540,270	16,788,645	(10,562,690)	4,645,485,858	
Profit for the year		-	-	-	105,180,722	105,180,722	
Total comprehensive income for the year		-	-	-	105,180,722	105,180,722	
Appropriation of retained earnings	40	-	-	5,259,037	(5,259,037)	-	
Balance as at December 31, 2020		1,578,719,633	3,060,540,270	22,047,682	89,358,995	4,750,666,580	

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

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2020
“UNAUDITED”

Unit : Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the period	(76,910,031)	(173,327,608)	105,180,722	(26,621,188)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid for) operating activities:				
Income tax expense	29,832,690	7,593,325	-	-
Depreciation and amortization	154,399,428	64,327,880	5,918,365	1,230,575
Impairment loss determined in accordance with TFRS 9	9,311,679	-	-	-
Bad debt and doubtful accounts	-	23,638,876	-	-
Unrealized (gain) loss on exchange rate	(1,370,434)	-	(1,370,434)	5,111,351
Loss from changes in fair value of investments	5,823,746	-	-	-
Loss from lease modification	2,120,606	-	-	-
Loss (gain) on disposal of equipment and other intangible assets	2,021,359	(1,559,925)	(63,049)	13
Reserve for impairment of asset held for sale	2,947,200	1,862,700	-	-
Gain on disposal of asset held for sale	-	(699,991)	-	-
Gain on sales of investments in subsidiaries	-	-	(85,000,000)	-
Share of loss from investment in associates	17,400,223	107,032,335	-	-
Employee benefits expenses	3,573,417	7,445,701	279,880	3,024,934
Finance costs	144,097,597	108,112,599	550,178	-
Interest income	(92,101,853)	(122,769,223)	(8,065,849)	(42,536,442)
Dividend income	(3,838,760)	(6,199,965)	(74,639,772)	-
Interest income on hire purchase and finance leases	(77,717,523)	(75,629,775)	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	119,589,344	(60,173,071)	(57,209,959)	(59,790,757)
Operating assets decrease (increase)				
Receivables from Clearing House and broker-dealers	12,684,864	22,408,315	-	-
Securities and derivatives business receivables	(145,128,478)	241,792,265	-	-
Factoring receivables	558,410,585	(115,420,925)	-	-
Finance lease receivables	58,907,356	63,913,676	-	-
Hire purchase receivables	86,259,966	(40,052,210)	-	-
Loans receivable	(127,141,491)	(103,754,557)	-	-
Other current receivables	4,519,131	(3,954,399)	(275,373)	(118,615)
Refundable value added tax	23,978,794	(16,715,913)	-	-
Other current financial assets	(199,548,830)	-	-	-
Other current assets	3,529,112	(24,300,415)	115,126	(102,390)
Other non-current assets	88,574,034	(6,393,897)	6,550	(168,888)
Operating liabilities increase (decrease)				
Payables to Clearing House and broker-dealers	(90,365,907)	(69,968,122)	-	-
Securities and derivatives business payables	204,772,690	7,653,180	-	-
Other current payables	(239,831,467)	6,684,856	(8,637)	(127,263)
Retention from factoring	1,570,664	(593,340)	-	-
Excess receipts awaiting to repay	(45,326,947)	19,422,667	-	-
Other current liabilities	30,510,203	85,236,422	(1,343,308)	1,272,389
Provision for long-term employee benefits	-	(13,406,220)	-	(10,262,050)
Other non-current liabilities	12,905,729	5,765,176	(459,006)	(110,273)
Cash received from (paid for) operations	358,869,352	(1,856,512)	(59,174,607)	(69,407,847)
Cash received from interest and dividend	43,772,167	49,579,040	8,369,845	13,853,108
Cash paid for interest expenses	(141,637,557)	(116,094,646)	-	-
Cash paid for corporate income tax	(30,354,707)	(21,001,769)	(100,683)	(124,473)
Net cash provided by (used in) in operating activities	230,649,255	(89,373,887)	(50,905,445)	(55,679,212)

AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOW (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020
“UNAUDITED”

		Unit : Baht			
	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash received from loans to subsidiaries		-	-	500,000,000	-
Cash paid for loans to subsidiaries		-	-	(205,361,148)	(23,087,500)
Increase (decrease) in deposits at financial institutions pledged as collateral		438	(659,739)	-	-
Cash paid for purchases investment in subsidiaries		-	-	(19,999,994)	(90,000,000)
Cash paid for purchases investment in other long-term investments		-	(410,880)	-	-
Cash paid for of assets held for lease		(7,637,557)	(2,407,450)	-	-
Cash paid for purchases of equipment and other intangible assets other than goodwill		(27,405,027)	(10,248,749)	(145,587)	(197,627)
Dividend received from subsidiaries		-	-	79,218,777	34,342,533
Cash received (paid) from sales of equipment		5,524,945	1,587,423	63,100	-
Cash received (paid) from sales of assets held for sale		(1,915,163)	700,000	-	-
Cash paid for investment property		-	(870,155,598)	-	-
Net cash provided by (used in) investing activities		(31,432,364)	(881,594,993)	353,775,148	(78,942,594)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from change in the parent's ownership interest without loss of control		-	-	185,000,000	-
Cash received from short-term borrowings from financial institutions		-	95,000,000	-	-
Cash paid for short-term borrowings from financial institutions		(319,000,000)	-	-	-
Cash received from long-term borrowings from financial institutions		357,000,000	585,500,000	-	-
Cash paid for liabilities under finance lease agreements		(54,081,440)	(21,954,335)	(4,629,065)	-
Cash paid for interest under lease agreements		(5,924,311)	-	(550,178)	-
Cash received from bills of exchange		449,686,905	601,736,488	-	-
Cash paid for bills of exchange		(206,000,000)	(358,000,000)	-	-
Cash paid for debt issued		-	(200,000,000)	-	-
Cash received from debt issued		-	150,000,000	-	-
Proceeds from increase in capital of subsidiary from non-controlling interest		100,999,996	160,000,000	-	-
Dividend paid to non-controlling interests by subsidiaries		(9,560,229)	(11,381,223)	-	-
Proceeds from advance receipt exercise of warrants		-	489	-	489
Net cash provided by financing activities		313,120,921	1,000,901,419	179,820,757	489
Differences on translation of financial statements		(1,298,000)	4,434,194	-	-
Net increase (decrease) in cash and cash equivalents		511,039,812	34,366,733	482,690,460	(134,621,317)
Cash and cash equivalents as at January 1,		616,748,137	582,381,404	135,779,521	270,400,838
Cash and cash equivalents as at December 31,	7	1,127,787,949	616,748,137	618,469,981	135,779,521
Supplemental cash flows information					
Non-cash items					
Purchase of equipment recorded as liabilities		-	37,450	-	-
Purchase of equipment recorded as lease liabilities		49,794,211	2,483,568	-	-
Loss on investment in equity instruments designated at fair value through other comprehensive income - net of income tax		(2,054,424)	(2,542,056)	-	-
Loss on actuarial gain and loss - net of income tax		(3,433,645)	16,919	-	-

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

**AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**AIRA CAPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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 this 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.
- c) Aspiration Two Company Limited is a subsidiary of AIRA Property Public Company Limited, domiciled in Thailand, and is principally engaged in property development.

1.6 General information of AIRA Leasing Public Company Limited

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

1.7 General information of AIRA Venture Capital Company Limited

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

1.8 General information of AIRA Asset Management Company Limited

AIRA Asset Management Company Limited (formerly is “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. The Ministry of Finance has permitted this company to operate securities business Type C license since November 25, 2020. The Securities and Exchange Commission has permitted this company to operate as an advisor and management fund of derivatives business since December 9, 2020 and currently, the Company in the process of obtaining permission to operate asset management business from the Securities and Exchange Commission.

1.9 Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company and its subsidiaries operate. Nevertheless, the Company and its subsidiaries’ management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

2. BASIS FOR PREPARATION AND PRESENTATION 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 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 "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2020 onwards and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No.3) B.E. 2562" dated December 26, 2019 and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, 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".

The consolidated and separate statements of comprehensive income for the year ended December 31, 2019 have been reclassified to conform to the classification used in the consolidated and separate statements of comprehensive income for the year ended December 31, 2020 as follows;

Unit : Thousand Baht

STATEMENT OF COMPREHENSIVE INCOME CONSOLIDATED FINANCIAL STATEMENTS For the year ended December 31, 2019			
	Previous Reclassifications	Reclassifications	New Reclassifications
Gain on investments	7,297	(7,297)	-
Interest and dividend	51,200	(51,200)	-
Interest on margin loans	77,770	(77,770)	-
Gain on investments and dividend	-	13,497	13,497
Interest income	-	105,298	105,298
Finance income	-	17,472	17,472

Unit : Thousand Baht

STATEMENT OF COMPREHENSIVE INCOME SEPARATE FINANCIAL STATEMENTS For the year ended December 31, 2019			
	Previous Reclassifications	Reclassifications	New Reclassifications
Interest and dividend	42,536	(42,536)	-
Gain on investments and dividend	-	28,619	28,619
Finance income	-	13,917	13,917

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 its subsidiaries are as follows;

Company's name	Nature of business	Country of incorporation	Unit : Percent	
			Percentage of shareholding	
			2020	2018
Held by the Company				
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	71.85	91.85
AIRA Venture Capital Co., Ltd.	Venture capital business	Thailand	99.99	99.99
AIRA Asset Management Co., Ltd.	Asset management	Thailand	99.99	99.99
Held by AIRA Securities Pcl.				
AIRA Advisory Co., Ltd.	Financial advisory	Thailand	99.99	99.99
Held by AIRA Property Plc.				
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 companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiaries companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Group and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

3. NEW FINANCIAL REPORTING STANDARDS

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, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements, except the following financial reporting standards:

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.

In the current year, the Company and its subsidiaries have initially applied Group of Financial Instruments Standards. The Company and its subsidiaries have elected to recognize the cumulative effect of initially adopting of TFRS 9 as an adjustment to the opening balance of retained earnings and other component of shareholders' equity of the reporting period.

TFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting

The Company and its subsidiaries have applied TFRS 9 in accordance with the transition provisions set out in TFRS 9.

a) Classification and measurement of financial assets

The date of initial application is January 1, 2020. Accordingly, the Company and its subsidiaries have applied the requirements of TFRS 9 to instruments that continue to be recognized as at January 1, 2020 and have not applied the requirements to instruments that have already been derecognized as at January 1, 2020. Comparative amounts in relation to instruments that continue to be recognized as at January 1, 2020 have not been restated.

All recognized financial assets that are within the scope of TFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost;
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company and its subsidiaries may take the following irrevocable election at initial recognition of a financial asset;

- The Company and its subsidiaries may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income; and
- The Company and its subsidiaries may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

In the current year, the Company and its subsidiaries have not designated any debt investments that meet the amortized cost or FVTOCI criteria as measured at FVTPL.

When a debt investment measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortized cost or at FVTOCI are subject to impairment. See (b) below.

The director of the Company reviewed and assessed the Company and its subsidiaries' existing financial assets as at January 1, 2020 based on the facts and circumstances that existed at that date and concluded that the initial application of TFRS 9 has had the following impact on the Company and its subsidiaries' financial assets as regards their classification and measurement:

- The Company and its subsidiaries' investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as investments held as available-for-sale and were measured at fair value at each reporting date under TAS 105 "Accounting for Investments in Debt and Equity Securities" have been designated as at FVTOCI. The change in fair value on these equity instruments continues to be accumulated in the investment revaluation reserve.

b) Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Company and its subsidiaries to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Specifically, TFRS 9 requires the Company and its subsidiaries to recognize a loss allowance for expected credit losses on;

- (1) Securities and derivatives business receivables;
- (2) Factoring receivables;
- (3) Finance lease receivables;
- (4) Hire purchase receivables and
- (5) Loans receivable.

In particular, TFRS 9 requires the Company and its subsidiaries to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company and its subsidiaries are required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. TFRS 9 also requires a general approach for measuring the loss allowance at an amount equal to lifetime ECL for securities and derivatives business receivables, factoring receivables, finance lease receivables, hire purchase receivables and loans receivable.

Because the Company and its subsidiaries have elected to recognize the cumulative effect as an adjustment of retained earnings at the date of initial application, for the purpose of assessing whether there has been a significant increase in credit risk since initial recognition of financial instruments that remain recognized on the date of initial application of TFRS 9.

c) Disclosure in relation to the initial application of TFRS 9

There were no financial assets or financial liabilities which the Company and its subsidiaries have elected to designated as at FVTPL at the date of initial application of TFRS 9.

The table below shows information relating to financial assets and financial liabilities that have been remeasured and reclassified as a result of transition to TFRS 9.

Unit : Thousand Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
	Carrying amounts as at December 31, 2019	Remeasurements	Reclassifications	Carrying amounts as at January 1, 2020	Category
Financial assets					
Cash and cash equivalents	616,748	-	-	616,748	Amortized Cost
Temporary investments	78,191	-	(78,191)	-	FVTOCI
Other current financial assets	-	-	78,191	78,191	FVTOCI
Receivables from Clearing House and broker - dealers	99,603	-	-	99,603	Amortized Cost
Securities business receivables and derivatives business receivables	1,341,030	(176)	-	1,340,854	Amortized Cost
Factoring receivables	2,399,114	(10,757)	-	2,388,357	Amortized Cost
Finance lease receivables	406,325	(224)	-	406,101	Amortized Cost
Hire purchase receivables	636,534	(2,080)	-	634,454	Amortized Cost
Loans receivable	161,234	(2,417)	-	158,817	Amortized Cost
Other current receivables	30,279	238	-	30,517	Amortized Cost
Investment in associates	678,429	(200,507)	-	477,922	Cost less impairment
Deposits at financial institutions pledged as collateral	663	-	-	663	Amortized Cost
Other long-term investments	3,668	-	(3,668)	-	FVTOCI
Other non-current financial assets	-	-	3,668	3,668	FVTOCI
Financial liabilities					
Short-term borrowings from financial institutions	2,122,000	-	-	2,122,000	Amortized Cost
Payables to Clearing House and broker - dealers	141,239	-	-	141,239	Amortized Cost
Securities and derivatives business payables	159,607	-	-	159,607	Amortized Cost
Retention from factoring	40,292	-	-	40,292	Amortized Cost
Excess receipts awaiting to repay	67,247	-	-	67,247	Amortized Cost
Lease liabilities	25,758	-	-	25,758	Amortized Cost
Long-term borrowings from financial institutions	625,500	-	-	625,500	Amortized Cost
Bills of exchange	552,310	-	-	552,310	Amortized Cost
Subordinated debentures	150,000	-	-	150,000	Amortized Cost
Shareholders' equity					
Accumulated deficit	823,372	215,923	-	1,039,295	-

Unit : Thousand Baht

SEPARATE FINANCIAL STATEMENTS					
Financial assets	Carrying amounts December 31, 2019	Remeasurements	Reclassifications	Carrying amounts January 1, 2020	Category
Cash and cash equivalents	135,780	-	-	135,780	Amortized Cost
Short-term loans to related parties	588,222	-	-	588,222	Amortized Cost
Other current receivables	29,103	-	-	29,103	Amortized Cost

The application of TFRS 9 has had no impact on the statements cash flows of the Company and its subsidiaries.

Thai Financial Reporting Standards No. 16 “Leases”

The subsidiary have applied this TFRS using the cumulative catch-up approach which:

- Requires the Company and its subsidiaries to recognize the cumulative effect of initially applying this TFRS as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not permit restatement of comparatives, which continue to be presented under TAS 17 and TFRIC 4.

a) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. TFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on “risk and rewards” in TAS 17 and TFRIC 4.

The Company and its subsidiaries applies the definition of a lease and related guidance set out in TFRS 16 to all lease contracts entered into or changed on or after January 1, 2020 (whether it is a lessor or a lease in the lease contract). In preparation for the first-time application TFRS 16, the Company and its subsidiaries have carried out an implementation project. The project has shown that the new definition in TFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company and its subsidiaries.

b) Impact on Lessee Accounting

Former operating leases

TFRS 16 changes how the Company and its subsidiaries accounts for lease previously classified as operating leases under TAS 17, which were off balance sheet.

Applying TFRS 16, for all leases (except as noted below), the Company and its subsidiaries:

- 1) Recognizes right-of-use assets and lease liabilities in the consolidated and separate statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16.
- 2) Recognizes depreciation of right-of-use assets and interest on lease liabilities in the consolidated and separate statements of comprehensive income.
- 3) Separates the total amount of cash paid into a principal portion and interest (presented within financing activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under TAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expenses on a straight line basis.

Under TFRS 16, right-of-use assets are tested for impairment in accordance with TAS 36 “Impairment of Assets”.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Company and its subsidiaries have opted to recognize a lease expense on a straight-line basis as permitted by TFRS 16. This expense is presented within “other expenses” in the statement of comprehensive income.

The subsidiaries have used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying TAS 17.

- The Company and its subsidiaries have applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Company and its subsidiaries have elected not to recognize right-of-use assets and lease liabilities to leases for which the lease term end within 12 months of the date of initial application.

Former finance leases

For leases that were classified as finance leases applying TAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying TAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Company and its subsidiaries recognized elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying TFRS 16 from January 1, 2020.

c) Impact on Lessor Accounting

TFRS 16 does not change substantially how a lessor accounts for leases. Under TFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, TFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under TFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under TAS 17).

Because of this change, the Company and its subsidiaries has reclassified certain of its operating sublease agreements as finance leases and accounted for them as new finance leases entered into at the date of initial application. As required by TFRS 9, an allowance for expected credit losses has been recognized on the finance lease receivables.

Financial impact of the initial application of TFRS 16

The Company and its subsidiaries recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rates. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the statement of financial position on January 1, 2020 is 6.01%.

The following table shows the operating lease commitments disclosed applying TAS 17 at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

	Unit : Thousand Baht	
	CONSOLIDATED FINANCIAL STATEMENTS	SEPERATE FINANCIAL STATEMENTS
Operating lease commitments at December 31, 2019	158,771	12,232
Short-term leases and leases of low-value assets	(56,281)	(606)
Effect of discounting the above amounts	(4,250)	(377)
Finance lease liabilities recognized under TAS 17 at December 31, 2019	25,758	-
Lease liabilities recognized at January 1, 2020	<u>123,998</u>	<u>11,249</u>

The Company have recognized right-of-use assets for Baht 132.43 million and Baht 11.25 million and lease liabilities for Baht 124 million and Baht 11.25 million in the consolidated and separate financial statements, respectively, upon transition to TFRS 16.

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidance, which have been announced in the Royal Gazette on April 22, 2020, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

The subsidiaries have applied the temporary relief measures as follows:

- Loans that are not yet non-performing (Non-NPL) are classified as class that does not have a significant increase in credit risk (Performing or Stage 1) immediately after analyzing the status and business of the debtor that the debtor is able to comply with the debt restructuring agreement.
- Non-performing loans (NPL) are classified as performing loans if the debtor is able to make repayment in accordance with the debt restructuring agreement for 3months or 3 installments consecutively, whichever is the longer period.
- In case the debt restructuring causes the existing effective interest rate (EIR) to no longer reflect the estimated cash inflows, the Company and its subsidiaries can apply a new effective interest rate to determine the present value of the restructured loans in accordance with guidelines to assist debtors specified in the circulars of the Bank of Thailand.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The subsidiaries have elected to apply the following temporary relief measures:

- To measure the fair value of investments in unquoted equity instruments using the fair value as at January 1, 2020.
- Not to account for any reduction in lease payments by lessors as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right of use assets and interest on lease liabilities recognized in each period reversed in proportion to the reduction with any differences then recognized in profit or loss.

Thai Financial Reporting Standard No.16 “Leases”

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

The subsidiary has applied this amendment to Thai Financial Reporting Standard in the preparation of the financial statements for the year ended December 31, 2020.

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, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management’s stewardship of the entity’s economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

The revised Thai Financial Reporting Standard No.3 “Business Combinations” clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 “Presentation of Financial Statements” and Thai Accounting Standards No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 “Financial Instruments” and Thai Financial Reporting Standard No.7 “Financial Instruments: Disclosures”.

The Company and its subsidiaries’ management will adopt such TFRSs in the preparation of the Company and its subsidiaries’ financial statements when they become effective. The Company and its subsidiaries’ management are in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Company are summarized as follows:

- 4.1 For the year ended December 31, 2020, the Company and its subsidiaries have adopted new and revised Thai Financial Reporting Standards as described in Note 3. As a result, the accounting policies have been changed from the year ended December 31, 2019 as follows:

4.1.1 Financial instruments

Policies applicable from January 1, 2020

Financial assets and financial liabilities are recognized in the Company and its subsidiaries consolidated statement of financial position when the Company and its subsidiaries become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI);

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company and its subsidiaries may make the following irrevocable election/designation at initial recognition of a financial asset;

- The Company and its subsidiaries may irrevocable elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (2) below).

(1) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized in profit or loss and is included in the “Interest income” and “Finance income” line item.

(2) Equity instruments designated as at FVTOCI

On initial recognition, the Company and its subsidiaries may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the “Gain and return on financial instruments” line item in profit or loss.

The Company and its subsidiaries have designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of TFRS 9 (see Note 3).

Impairment of financial assets

The Company and its subsidiaries recognize a loss allowance for expected credit loss on securities and derivatives business receivables, factoring receivables, finance receivables, hire purchase receivables and loan receivables. The amount of expected credit loss is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company and its subsidiaries always recognize lifetime ECL for securities and derivatives business receivables, factoring receivables, hire purchase receivables, operating lease, other current receivables and loan receivable. The expected credit loss on these financial assets are estimated using a provision matrix based on the Company and its subsidiaries’ historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company and its subsidiaries recognize lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company and its subsidiaries measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit loss that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(1) Write-off policy

The Company and its subsidiaries write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company and its subsidiaries' recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(2) Measurement and recognition of expected credit loss

The measurement of expected credit loss is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company and its subsidiaries' understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company and its subsidiaries in accordance with the contract and all the cash flows that the Company and its subsidiaries expect to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with TFRS 16 "Leases".

If the Company and its subsidiaries have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company and its subsidiary measure the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company and its subsidiaries recognize an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Company and its subsidiaries derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company and its subsidiaries neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company and its subsidiaries recognize its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company and its subsidiaries retain substantially all the risks and rewards of ownership of a transferred financial asset, the Company and its subsidiaries continue to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company and its subsidiaries have elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company and its subsidiaries, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not

- (1) contingent consideration of an acquirer in a business combination,
- (2) held-for-trading, or
- (3) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Company and its subsidiaries derecognize financial liabilities when, and only when, the Company and its subsidiaries' obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.1.2 Lease

Policies applicable from January 1, 2020

The Company and its subsidiaries as lessee

The Company and its subsidiaries assess whether a contract is or contains a lease, at inception of the contract. The Company and its subsidiaries recognize a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets i.e. copying machine. For these leases, the Company and its subsidiaries recognize the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company and its subsidiaries use its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated and separate statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company and its subsidiaries remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company and its subsidiaries did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment loss.

Whenever the Company and its subsidiaries incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company and its subsidiaries expect to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated and separate statements of financial position.

The Company and its subsidiaries apply TAS 36 “Impairment of Assets” to determine whether right-of-use assets are impaired and accounts for any identified impairment loss as described in the “Impairment of assets” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company and its subsidiaries have used this practical expedient.

The Company and its subsidiaries as lessor

The Company and its subsidiaries enter into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Company and its subsidiaries are a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company and its subsidiaries are an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance lease or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company and its subsidiaries' net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company and its subsidiaries' net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Company and its subsidiaries applied TFRS 15 to allocate the consideration under the contract to each component.

4.2 Cash and cash equivalents

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

4.3 Recognition and 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.

4.4 Investments

Policies applicable prior to January 1, 2020

- 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.

4.5 Receivables from Clearing House and broker - dealers

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

4.6 Securities and derivatives business receivables and allowance for expected credit loss /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 expected credit loss/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.

Policies applicable prior to January 1, 2020

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).

The subsidiary write off receivables classified as bad debt when identified. Full provision of the loan balance will be set aside for loans classified as doubtful. These conditions are complied with the guidelines stipulated by the Office of the Securities and Exchange Commission.

4.7 Factoring and loan receivables

Policies applicable from January 1, 2020

Factoring receivables are stated at their invoice value less allowance for expected credit losses and discount on factoring in advance.

Loan receivables are stated at principal amount net of allowance for expected credit losses.

The allowance for expected credit losses has been disclosed in Note 4.1.1.

Policies applicable prior to January 1, 2020

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

Loan receivables are stated at principal amount net of allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

4.8 Account receivables

Policies applicable from January 1, 2020

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

Other receivables are stated at invoice less allowance for expected credit loss.

The allowance for expected credit losses has disclosed in Note 4.1.1.

Policies applicable prior to January 1, 2020

Finance lease receivables and hire purchase receivables are stated at net realizable value, which consists of the contract value net of unearned finance lease and hire purchase interest income and allowance for expected credit loss.

Other receivables are stated at invoice less allowance for doubtful accounts.

The allowance for doubtful accounts for which is based on a percentage of net receivables at the end of each year based on experience and the analysis of payment rate in the past.

The allowance for doubtful accounts has disclosed in Note 5.2.2.

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 Building, equipment and assets held for lease

Building, equipment and asset held for lease are stated at cost less accumulated depreciation and allowance for impairment, if any.

Depreciation of building, equipment and assets held for lease is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building	31 years
Building improvement	10 years
Office equipment	3 and 5 years
Furniture and fixtures	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.

When building, equipment and assets held for lease become impaired, the allowance for impairment is recorded to recognize loss on impairment in the statements of comprehensive income.

An item of building, equipment and assets held for lease are 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 Other intangible assets other than goodwill

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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No amortization is provided on software under installation.

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 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.

4.14 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.

4.15 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.

4.16 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.

4.17 Long-term leases

Policies applicable prior to January 1, 2020

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.

4.18 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.

Gain and loss on exchange are included in determining income.

4.19 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.

4.20 Revenue and expense recognition

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 and dividend

Gain (loss) on investments

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

Dividend

Dividend is recognized on the date the Company's right to receive payments is established.

d) Interest income

Policies applicable from January 1, 2020

The Company recognized interest income on an accrual basis based on the effective interest rate.

The Company calculates interest income by applying the effective interest rate to the gross book value of financial assets. Except financial assets are impaired, the Company calculates interest income using the effective interest rate, based on the net book value (gross book value less expected credit losses) of the financial assets.

Policies applicable prior to January 1, 2020

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 Company 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) Expenses

Fees and services expenses are recognized on an accrual basis.

4.21 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.

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

4.22 Payables to Clearing House and broker - dealers

Payables to Clearing House and broker - dealers comprises the net payable to Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand, net payable for derivatives trades, and net payable to foreign securities trade settlement with domestic and overseas brokers.

4.23 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the subsidiary in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the subsidiary as collateral for securities lending.

4.24 Provisions

Provisions are 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.

4.25 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 utilized.

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.

4.26 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. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTY

5.1 Use of management's judgment

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Company's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Significant judgments in applying accounting policies is as follows;

5.1.1 Goodwill and other intangible assets

The initial recognition and measurement of goodwill and other 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.

5.1.2 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.

5.1.3 Equipment and 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.

5.1.4 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.

5.1.5 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 judgment 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.

5.1.6 Litigation

The subsidiary has contingent liabilities as a result of litigation. The subsidiary's management has used judgement to assess 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.

5.1.7 Significant increase in credit risk

As explained in Note 4.1.1, expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

5.2 Key sources of estimation uncertainty

The Company has estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

5.2.1 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.

5.2.2 Calculation of expected credit losses and allowance for doubtful accounts

Policies applicable from January 1, 2020

When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of defaults is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Policies applicable prior to January 1, 2020

In determining an allowance for doubtful accounts, 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.

The subsidiaries 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 based on experience and the analysis of payment rate in the past. For debtors with payment problem, the Company 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.

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	Percentage of receivable
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 current 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.

6. RELATED PARTY TRANSACTIONS

The relationships between the Company and its related parties that have significant business transactions during the period are summarized as follows;

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 Co., Ltd.	Subsidiary
AIRA Advisory Co., Ltd.	Subsidiary (held by a subsidiary)
Aspiration One Co., Ltd.	Subsidiary (held by a subsidiary)
Aspiration Two Co., Ltd.	Subsidiary (held by a subsidiary)
AIRA & AIFUL Plc.	Associate
Travellex (Thailand) Limited	Associate
Alliance Co., Ltd.	Common directors 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 Airlines Co., Ltd.	Common directors

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties, which are summarized as follows;

					Unit : Thousand Baht
	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2020	2019	2020	2019	Transfer Pricing Policy
Transactions with subsidiaries					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	74,640	28,619	Normal rate declared to ordinary investors
Interest income	-	-	4,040	11,574	Market rate
Other income	-	-	-	4	Agreed upon basis
Other expenses	-	-	70	50	Agreed upon basis
Transactions with associates					
Purchase of bills of exchange	5,719,905	5,123,383	-	-	Market rate

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE		Transfer Pricing Policy
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	
	2020	2019	2020	2019	
Transactions with related parties					
Brokerage fees income	133	137	-	-	Normal rate charged to ordinary customers
Fees and services income	5,678	8,509	-	-	Price stated in contract
Rental and service income	-	429	-	-	Price stated in contract
Interest expenses	-	-	-	-	Market rate
Premises expenses	5,565	5,565	-	-	Price stated in contract
Other expenses	1,584	1,215	-	-	Agreed upon basis
Purchase of machine and equipment	5,577	2,380	-	-	Agreed upon basis
Transactions with the directors and shareholders of the Company's group					
Sales of bills of exchange	5,724,839	5,249,812	-	-	Market rate
Gain on sale of investments	4,942	6,319	85,000	-	Market rate
Brokerage fees income	19,428	10,141	-	-	Normal rate charged to ordinary customers
Interest expenses	39,562	21,722	-	-	Market rate
Premises expenses	486	486	-	-	Price stated in contract

The balances of accounts as at December 31, 2020 and 2019 between the Company and its subsidiaries and those related parties are as follows;

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Subsidiaries				
(Eliminated from the consolidated financial statements)				
Short-term loans	-	-	294,955	588,222
Dividend receivable	-	-	24,040	28,619
Interest receivables	-	-	52	357
Other current payables	-	-	10	11
Related parties				
Other current receivables	355	1,776	-	-
Rental deposits	1,148	1,148	-	-
Other current payables	259	88	-	-
Directors and shareholders of the Company's group				
Securities business receivables	243,291	415	-	-
Cash collateral ⁽¹⁾	137,272	138,492	-	-
Rental deposits	135	135	-	-
Securities business payables	-	9,094	-	-
Bills of exchange	894,047	496,630	-	-
Subordinated debentures	40,000	40,000	-	-
Accrued interest expenses	252	504	-	-

⁽¹⁾ Included as a part of "Deposits of customer's account of subsidiary", which are presented as a deduction item from "Cash and cash equivalents".

Loans to related parties

The balance of loans between the Company and those related companies as at December 31, 2020 and 2019, the movement are as follows;

		SEPARATE FINANCIAL STATEMENTS				Unit : Thousand Baht
Borrower	Related by	Balance as at December 31, 2019	Increase	Decrease	Translation	Balance as at December 31, 2020
AIRA Leasing Public Company Limited	Subsidiary	500,000	-	(500,000)	-	-
AIRA International Advisory (Singapore) Pte. Ltd.	Subsidiary	88,222	212,622	(206,905)	1,371	95,310
AIRA Securities Public Company Limited	Subsidiary	-	200,000	(355)	-	199,645
		<u>588,222</u>	<u>412,622</u>	<u>(707,260)</u>	<u>1,371</u>	<u>294,955</u>

The outstanding balance as at December 31, 2020 of short-term loans to AIRA Securities Public Company Limited of Baht 200 million are in the form of an unsecured loan, mature on January 27, 2021 and carrying interest at rate of 2.5% per annum.

There is no outstanding balance as at December 31, 2020 of short-term loans to AIRA Leasing Public Company (As at December 31, 2019 of Baht 500 million.).

The outstanding balance as at December 31, 2020 of short-term loans to AIRA International Advisory (Singapore) Pte. Ltd. of Baht 95.31 million or SGD 4.26 million are in the form of an unsecured loan, mature on April 12, 2021 and carrying interest at rate of 2% per annum (As at December 31, 2019 of Baht 88.22 million or SGD 4.00 million).

Bills of exchange to related parties

As at December 31, 2020 and 2019, the balance of bills of exchange between its subsidiaries and the subsidiaries' shareholders and the movement are as follows;

		CONSOLIDATED FINANCIAL STATEMENTS			Unit : Thousand Baht
Related by		Balance as at December 31, 2019	Increase	Decrease	Balance as at December 31, 2020
Subsidiary's shareholders	Related Person	<u>506,630</u>	<u>3,459,950</u>	<u>(2,972,888)</u>	<u>993,692</u>

		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 Person	<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 benefits expenses payable to their directors and management for the years ended December 31, 2020 and 2019 are as follows;

	CONSOLIDATED		Unit : Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Short-term benefits	126,846	128,096	27,827	25,028
Post-employment benefits	7,610	7,551	4,170	4,332
Total	134,456	135,647	31,997	29,360

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2020 and 2019 are as follows;

	CONSOLIDATED		Unit : Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	As at		As at	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Cash, deposits at financial institutions, notes receivables and bonds with maturity less than three months	1,210,208	727,028	618,470	135,780
Less Deposits for customer's account of subsidiary*	(82,420)	(110,280)	-	-
Total cash and cash equivalents	1,127,788	616,748	618,470	135,780

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

Reconciliation of liabilities arising from financing activities for the years ended December 31, 2020 and 2019 are as follows;

2020 and 2019 are as follows,

	Unit : Thousand Baht				
	CONSOLIDATED FINANCIAL STATEMENTS				
	As at	Changes in cash flows		Non-cash	As at
	January 1,	Cash	Cash	items	December 31,
	2020	received	paid		2020
Short-term borrowings from financial institutions	2,122,000	-	(319,000)	-	1,803,000
Bills of exchange	552,310	449,687	(206,000)	(1,950)	794,047
Lease liabilities	123,998	-	(60,006)	6,758	70,750
Long-term borrowings from financial institutions	625,500	357,000	-	-	982,500
Debt issued and other borrowings	150,000	-	-	-	150,000

	Unit : Thousand Baht				
	SEPARATE FINANCIAL STATEMENTS				
	As at	Changes in cash flows		Non-cash	As at
	January 1,	Cash	Items	items	December 31,
	2020	received	paid		2020
Lease liabilities	11,249	-	(5,179)	550	6,620

Unit : Thousand Baht				
	As at January 1, 2019	CONSOLIDATED FINANCIAL STATEMENTS Changes in cash flows		As at December 31, 2019
		Cash received	Cash paid	
Short-term borrowings from financial institutions	2,027,000	95,000	-	2,122,000
Bills of exchange	308,348	601,736	(358,000)	552,310
Lease liabilities	31,005	-	(25,830)	25,759
Long-term borrowings from financial institutions	40,000	585,500	-	625,500
Debt issued	200,000	150,000	(200,000)	150,000

8. OTHER CURRENT FINANCIAL ASSETS AND TEMPORARY INVESTMENTS

Other current financial assets and temporary investments as at December 31, 2020 and 2019 are as follows;

Unit : Thousand Baht		
CONSOLIDATED FINANCIAL STATEMENTS		
As at December 31, 2020		
	Cost/amortized cost	Fair value
Investments, fair value through profit and loss (FVTPL)		
Listed securities	199,549	193,725
<u>Less</u> Valuation adjustment	(5,824)	-
Investments, fair value through profit and loss	193,725	193,725
Investments, fair value through other comprehensive income (FVTOCI)		
Listed securities	103,554	75,623
<u>Less</u> Valuation adjustment	(27,931)	-
Investments, fair value through other comprehensive income	75,623	75,623
Investments, amortization cost		
Fixed deposit	950,000	
Government bonds	1,347,534	
<u>Less</u> Deposits for customers' accounts	(2,297,534)	
Investments, amortization cost	-	
Other current financial assets	269,348	

Unit : Thousand Baht		
CONSOLIDATED FINANCIAL STATEMENTS		
As at December 31, 2019		
	Cost	Fair value
Available-for-sale securities		
Listed securities	103,554	78,191
<u>Less</u> Valuation adjustment	(25,363)	-
Total available-for-sale securities - net	78,191	78,191
Held-to-maturity investments		
Government bonds	1,714,429	
<u>Less</u> Deposits for customers' accounts	(1,714,429)	
Total held-to-maturity investments - net	-	
Total temporary investment - net	78,191	

Unrealized loss on remeasuring investment recognized in shareholders' equity

Unit : Thousand Baht		
CONSOLIDATED		
FINANCIAL STATEMENTS		
	As at December 31, 2020	As at December 31, 2019
Balance - beginning of the year	(22,439)	(19,897)
Changes during the year (net of income tax) - revaluation	(2,054)	(2,542)
Balance - ending of the year	(24,493)	(22,439)

Unit : Thousand Baht				
CONSOLIDATED				
FINANCIAL STATEMENTS				
As at December 31, 2020				
Investments	Reason for use of alternative in presentation as mentioned	Fair value	Dividend received	Retained earnings or (deficit) transferred in owner's equity
Thai Steel Cable Public Company Limited	FVTOCI	62,394	3,227	(2,151)
Navanakorn Public Company Limited	FVTOCI	13,229	486	97
Total		75,623	3,713	(2,054)

9. RECEIVABLES FROM CLEARING HOUSE AND BROKER - DEALERS

Receivables from Clearing House and broker - dealers as at December 31, 2020 and 2019 are as follows;

Unit : Thousand Baht		
CONSOLIDATED		
FINANCIAL STATEMENTS		
	As at December 31, 2020	As at December 31, 2019
Receivables from Clearing House	136,382	287,777
Receivables from overseas securities companies	525,499	534,584
<u>Less</u> Receivables from Clearing House for customers' account of subsidiary *	(99,437)	(231,584)
Receivables from overseas securities companies for customer's account of subsidiary *	(475,526)	(491,174)
Total receivables from Clearing House and broker - dealers	86,918	99,603

* 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, 2020 and 2019 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2020	2019
Securities business receivables		
Cash accounts	337,369	209,610
Credit balance accounts	1,189,379	1,125,208
Other receivables		
- Securities business receivables under litigation	2,132	2,132
Total other receivables	2,132	2,132
Total securities business receivables	1,528,880	1,336,950
<u>Add</u> Accrued interest receivables	4,598	6,212
<u>Less</u> Allowance for expected credit loss	(2,259)	-
<u>Less</u> Allowance for doubtful accounts	-	(2,132)
Total securities business receivables	1,531,219	1,341,030
Derivatives business receivables		
Derivatives business receivables	4,025	-
<u>Less</u> Allowance for expected credit loss	(4,050)	-
Total derivatives business receivables	(25)	-
Total securities and derivatives business receivables	1,531,194	1,341,030

10.1 Receivables classified by class

As at December 31, 2020 and 2019, the Company classified securities and derivative business receivables including related accrued interest receivables. The classification was as follows: (classification by type of receivables)

	Unit : Thousand Baht		
	CONSOLIDATED FINANCIAL STATEMENTS		
	As at December 31, 2020		
	Securities and derivatives business receivables and accrued interest receivables	Exposure at default	Allowance for expected credit loss
<u>Securities business receivables</u>			
Low credit risk receivables	1,531,346	1,922,260	127
Significant increase in credit risk receivable	-	-	-
Default receivables in credit risk	2,132	2,132	2,132
Total securities business receivables	1,533,478	1,924,392	2,259
<u>Derivatives business receivables</u>			
Low credit risk receivables	-	2,241,009	25
Significant increase in credit risk receivable	-	-	-
Default receivables in credit risk	4,025	4,025	4,025
Total derivatives business receivables	4,025	2,245,034	4,050
Total securities and derivatives business receivables	1,537,503	4,169,426	6,309

Unit : Thousand Baht			
CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2019			
	Securities and derivatives business receivables and accrued interest receivables	Allowances for doubtful accounts	Debt balances net of allowances for doubtful accounts
Normal debts	1,341,030	-	1,341,030
Sub-standard debts	-	-	-
Doubtful debts	2,132	(2,132)	-
Total	<u>1,343,162</u>	<u>(2,132)</u>	<u>1,341,030</u>

Allowance for expected credit loss for the year ended December 31, 2020 are as follows:

Unit : Thousand Baht				
	Allowance for expected credit loss			Total
	Low credit risk receivables (Stage 1)	Significant increased in credit risk receivables (Stage 2)	Default receivables in credit risk (Stage 3)	Allowance for doubtful accounts
Balance as at December 31, 2019	-	-	-	2,132
Impact of adoption of TFRS 9	60	116	2,132	(2,132)
Balance as at January 1, 2020	60	116	2,132	-
Changes in staging	116	(116)	-	-
Changes in risk parameters	(24)	-	4,025	-
New financial assets originated or purchased	-	-	-	-
Financial assets derecognized	-	-	-	-
Written off	-	-	-	-
Balance as at December 31, 2020	<u>152</u>	<u>-</u>	<u>6,157</u>	<u>-</u>

10.2 Receivables on which recognition of income have been ceased

As at December 31, 2019, the Company had securities business receivables with book values totaling Baht 2.1 million, on which recognition of income have been ceased. The Company had already provided allowance for doubtful account after collateral amounting to Baht 2.1 million.

11. FACTORING RECEIVABLES

Factoring receivables as at December 31, 2020 and 2019 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2020	2019
Factoring receivables	2,408,360	3,079,587
Accrued interest income from factoring	9,128	7,801
	<u>2,417,488</u>	<u>3,087,388</u>
<u>Less</u> Factoring payables	(496,309)	(600,565)
Unearned interest income	(17,484)	(18,689)
	<u>1,903,695</u>	<u>2,468,134</u>
<u>Less</u> Allowance for expected credit loss	(81,272)	-
Allowance for doubtful accounts	-	(69,020)
Factoring receivables	<u>1,822,423</u>	<u>2,399,114</u>

As at December 31, 2020, the balances of factoring receivables were classified by staging as follows:

	Unit : Thousand Baht		
	CONSOLIDATED FINANCIAL STATEMENTS		
	As at December 31, 2020		
	Factoring receivables	Exposure at default	Allowance for expected credit loss
Low credit risk receivables	2,302,301	1,834,908	3,444
Significant increase in credit risk receivable	-	-	-
Default receivables in credit risk	106,059	86,271	77,828
Total	<u>2,408,360</u>	<u>1,921,179</u>	<u>81,272</u>

As at December 31, 2020 and 2019, the balances of factoring receivables are classified by aging as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at December 31,	As at December 31,
	2020	2019
Current	2,202,193	2,874,970
Overdue:		
Not more than 3 months	103,004	109,720
Over 3 months but not more than 6 months	5,083	4,102
Over 6 months	98,080	90,795
<u>Less</u> Allowance for expected credit loss	(81,272)	-
Allowance for doubtful accounts	-	(69,020)
Total factoring receivables - unrelated parties	<u>2,327,088</u>	<u>3,010,567</u>

As at December 31, 2019, factoring receivables which are overdue for over 6 months amounting to Baht 90.79 million, before setting off the amount repayable to the transfer or upon settlement of the factored debts amounting to Baht 25.73 million. The subsidiary has provided a full amount of allowance for doubtful accounts for such net receivables.

Allowance for expected credit loss for the year ended December 31, 2020 is as follows:

	Allowance for expected credit loss			Unit : Thousand Baht	
				Allowance for doubtful accounts	Total
	Low credit risk receivables (Stage 1)	Significant increased in credit risk receivables (Stage 2)	Default receivables in credit risk (Stage 3)		
Balance as at December 31, 2019	-	-	-	69,020	69,020
Impact of adoption of TFRS 9	4,522	-	75,255	(69,020)	10,757
Balance as at January 1, 2020	4,522	-	75,255	-	79,777
Changes in staging	775	-	(775)	-	-
Changes in risk parameters	(4,147)	-	9,376	-	5,229
New financial assets originated or purchased	399	-	-	-	399
Financial assets derecognized	1,895	-	-	-	1,895
Written off	-	-	(6,028)	-	(6,028)
Balance as at December 31, 2020	3,444	-	77,828	-	81,272

12. FINANCE LEASE RECEIVABLES

Finance lease receivables as at December 31, 2020 and 2019 are as follows;

	CONSOLIDATED FINANCIAL STATEMENTS					
	Current portion of Finance lease receivables		Finance lease receivables - net of current portion		Total	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Finance Lease receivables	163,099	135,366	258,093	324,028	421,192	459,394
Less Unearned lease interest income	(24,172)	(24,759)	(18,858)	(27,623)	(43,030)	(52,382)
Total	138,927	110,607	239,235	296,405	378,162	407,012
Less Allowance for expected credit loss	(215)	-	(372)	-	(587)	-
Less Allowance for doubtful accounts	-	(196)	-	(491)	-	(687)
Finance Lease receivables	138,712	110,411	238,863	295,914	377,575	406,325

As at December 31, 2020, the balances of finance lease receivables aged on the basis of due dates, are summarized as follows;

	Unit : Thousand Baht		
	CONSOLIDATED FINANCIAL STATEMENT		
	As at December 31, 2020		
	Finance lease Receivables	Exposure at default	Allowance for expected credit loss
Low credit risk receivables	378,142	365,145	454
Significant increase in credit risk receivable	43,050	43,934	133
Default receivables in credit risk	-	-	-
Total	421,192	409,079	587

As at December 31, 2020 and 2019, the balances of finance lease receivables net of unearned lease interest income are classified by aging as follows;

Unit : Thousand Baht		
CONSOLIDATED		
FINANCIAL STATEMENT		
	As at December 31, 2020	As at December 31, 2019
Current	303,532	326,301
Overdue :		
Note more than 3 months	74,630	80,711
Total	378,162	407,012
<u>Less</u> Allowance for expected credit losses	(587)	
Allowance for doubtful accounts	-	(687)
	377,575	406,325

Allowance for expected credit loss for the year ended December 31, 2020 is as follows:

Unit : Thousand Baht					
Allowance for expected credit loss					
	Low credit risk receivables (Stage 1)	Significant increased in credit risk receivables (Stage 2)	Default receivables in credit risk (Stage 3)	Allowance for doubtful accounts	Total
Balance as at December 31, 2019	-	-	-	687	687
Impact of adoption of TFRS 9	522	389	-	(687)	224
Balance as at January 1, 2020	522	389	-	-	911
Changes in staging	247	(247)	-	-	-
Changes in risk parameters	(393)	(9)	-	-	(402)
New financial assets originated or purchased	69	-	-	-	69
Financial assets derecognized	9	-	-	-	9
Balance as at December 31, 2020	454	133	-	-	587

As at December 31, 2020 and 2019, the future minimum lease payments receivable under lease contracts together with the present value of minimum lease payments receivables are as follows;

Unit : Thousand Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
	As at December 31, 2020		As at December 31, 2019	
	Minimum lease payments of lease contracts	Present value of minimum lease payments receivables	Minimum lease payments of lease contracts	Present value of minimum lease payments receivables
Due within one year	163,099	138,927	135,366	110,607
Over one year but not more than five years	258,093	239,235	324,028	296,405
Total	421,192	378,162	459,394	407,012
<u>Less</u> Unearned lease interest income	(43,030)		(52,382)	
Investment in lease contracts	378,162		407,012	

13. HIRE PURCHASE RECEIVABLES

Hire purchase receivables as at December 31, 2020 and 2019 are as follows;

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Current portion of hire purchase receivables		Hire purchase receivables - net of current portion		Total	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Hire purchase receivables	264,677	259,891	407,226	460,097	671,903	719,988
<u>Less</u> Unearned hire purchase interest income	(39,702)	(39,684)	(34,899)	(41,524)	(74,601)	(81,208)
Total	224,975	220,207	372,327	418,573	597,302	638,780
<u>Less</u> Allowance for expected credit loss	(760)	-	(1,101)	-	(1,861)	-
<u>Less</u> Allowance for doubtful accounts	-	(1,039)	-	(1,207)	-	(2,246)
Hire purchase receivables	224,215	219,168	371,226	417,366	595,441	636,534

As at December 31, 2020, the balances of hire purchase receivables were classified by staging as follows;

CONSOLIDATED FINANCIAL STATEMENT			Unit : Thousand Baht
As at December 31, 2020			
	Hire purchase receivables	Exposure at default	Allowance for expected credit loss
Low credit risk receivables	576,485	546,373	674
Significant increase in credit risk receivable	91,325	94,854	344
Default receivables in credit risk	4,093	4,214	843
Total	671,903	645,441	1,861

As at December 31, 2020 and 2019, the balances of hire purchase receivables (net of unearned hire purchase interest income) are classified by aging as follows;

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENT		
	As at December 31, 2020	As at December 31, 2019
Current	496,717	530,629
Overdue:		
Note more than 3 months	97,207	104,069
More than 3 months but not over 6 months	3,378	4,082
	<hr/> 597,302	<hr/> 638,780
<u>Less</u> Allowance for expected credit losses	(1,861)	-
<u>Less</u> Allowance for doubtful accounts	-	(2,246)
	<hr/> 595,441	<hr/> 636,534

Allowance for expected credit loss for the year ended December 31, 2020 is as follows:

	Allowance for expected credit loss			Unit : Thousand Baht	
	Low credit risk receivables (Stage 1)	Significant increased in credit risk receivables (Stage 2)	Default receivables in credit risk (Stage 3)	Allowance for doubtful accounts	Total
Balance as at December 31, 2019	-	-	-	2,246	2,246
Impact of adoption of TFRS 9	878	408	3,040	(2,246)	2,080
Balance as at January 1, 2020	878	408	3,040	-	4,326
Changes in staging	1,900	(8)	(1,892)	-	-
Changes in risk parameters	(2,244)	(56)	(1,135)	-	(3,435)
New financial assets originated or purchased	126	-	-	-	126
Financial assets derecognized	14	-	830	-	844
Balance as at December 31, 2020	674	344	843	-	1,861

As at December 31, 2020 and 2019, 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			
	As at December 31, 2020		As at December 31, 2019	
	Minimum lease payments of lease contracts	Present value of minimum lease payments receivables	Minimum lease payments of lease contracts	Present value of minimum lease payments receivables
Due within one year	264,677	224,975	259,891	220,207
Over one year but not more than five years	407,226	372,327	460,097	418,573
Total	671,903	597,302	719,988	638,780
<u>Less</u> Unearned lease interest income	(74,601)		(81,208)	
Investment in lease contracts	597,302		638,780	

14. LOANS RECEIVABLE

Loans receivable as at December 31, 2020 and 2019 are as follows;

	Unit : Thousand Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	Current portion of loans receivable		Loans receivable - net of current portion		Total	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Loans receivable	239,772	173,341	75,702	14,991	315,474	188,332
<u>Less</u> Allowance for expected credit loss	(29,473)	-	(59)	-	(29,532)	-
Allowance for doubtful accounts	-	(21,263)	-	(5,835)	-	(27,098)
Loans receivable	210,299	152,078	75,643	9,156	285,942	161,234

As at December 31, 2020 and 2019, the Company has 3 loans receivable outstanding balances which were restructured factoring receivables by means of modification of terms amounting to Baht 36.42 million. However, this restructuring by modification of terms does not result in any loss.

As at December 31, 2020, the balances of loans receivable were classified by aging as follows;

Unit : Thousand Baht			
CONSOLIDATED FINANCIAL STATEMENT			
As at December 31, 2020			
Loans receivable	Exposure at default	Allowance for expected credit loss	
Low credit risk receivables	279,052	280,300	226
Significant increase in credit risk receivable	-	-	-
Default receivables in credit risk	36,422	36,422	29,306
Total loans receivable	315,474	316,722	29,532

Allowance for expected credit loss for the year ended December 31, 2020 is as follows:

Unit: Thousand Baht				
	Allowance for expected credit loss			Total
	Low credit risk receivables (Stage 1)	Significant increased in credit risk receivables (Stage 2)	Default receivables in credit risk (Stage 3)	
Balance as at December 31, 2019	-	-	-	27,098
Impact of adoption of TFRS 9	209		29,306	(27,098)
Balance as at January 1, 2020	209	-	29,306	-
Changes in staging	-	-	-	-
Changes in risk parameters	(172)	-	-	-
New financial assets originated or purchased	189	-	-	-
Balance as at December 31, 2020	226	-	29,306	-

15. ALLOWANCE FOR EXPECTED CREDIT LOSS

Allowance for expected credit loss as at December 31, 2020 consisted of the following:

Unit : Thousand Baht				
CONSOLIDATED FINANCIAL STATEMENT				
As at December 31, 2020				
	Allowance for low credit risk receivables	Allowance for significant increase in credit risk receivable	Allowance for default receivables in credit risk	Total
Securities business receivables				
Beginning balance	47	115	2,132	2,294
Change in ECL during the year	80	(115)	-	(35)
Ending balance	127	-	2,132	2,259
Derivatives business receivables				
Beginning balance	14	-	-	14
Change in ECL during the year	11	-	4,025	4,036
Ending balance	25	-	4,025	4,050
Factoring receivables				
Beginning balance	4,522	-	75,255	79,777
Change in ECL during the year	(1,078)	-	8,601	7,523
Written-off bad debts	-	-	(6,028)	(6,028)
Ending balance	3,444	-	77,828	81,272
Finance lease receivables				
Beginning balance	522	389	-	911
Change in ECL during the year	(68)	(256)	-	(324)
Ending balance	454	133	-	587
Hire purchase receivables				
Beginning balance	878	408	3,040	4,326
Change in ECL during the year	(204)	(64)	(2,197)	(2,465)
Ending balance	674	344	843	1,861
Loans receivable				
Beginning balance	209	-	29,306	29,515
Change in ECL during the year	17	-	-	17
Ending balance	226	-	29,306	29,532
Other receivables				
Beginning balance	6	-	2,020	2,026
Change in ECL during the year	4	-	556	560
Written-off bad debts	-	-	(508)	(508)
Ending balance	10	-	2,068	2,078
Total	4,960	477	116,202	121,639

Allowance for doubtful accounts for receivables as at December 31, 2019 is as follows;

Unit : Thousand Baht	
CONSOLIDATED	
FINANCIAL STATEMENT	
As at	
December 31,	
2019	
Balance - beginning of the year	83,714
Add Bad debt and doubtful accounts	23,639
Less Reversal of bad debt	(3,915)
Balance - ending of the year	103,438

16. OTHER CURRENT RECEIVABLES

Other current receivables as at December 31, 2020 and 2019 are as follows;

	CONSOLIDATED		Unit : Thousand Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Dividend receivables	-	-	24,040	28,619
Accrued rental income	-	-	390	-
Accrued fee income	18,522	11,138	-	-
Employee receivables	-	15,733	-	-
Others	9,331	3,408	63	484
Total	27,853	30,279	24,493	29,103

17. OTHER CURRENT ASSETS

Other current assets as at December 31, 2020 and 2019 are as follows;

	CONSOLIDATED		Unit : Thousand Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
	2020	2019	2020	2019
Prepaid expense	12,473	13,220	639	754
Undued input vat	18,071	18,237	-	-
Withholding taxes	24,155	13,116	100	124
Other current assets	1,112	3,922	-	-
Total	55,811	48,495	739	878

18. INVESTMENTS IN ASSOCIATES

Investments in associates as at December 31, 2020 and 2019 are as follows;

Company's name	Nature of business	Country of incorporation	Unit : Thousand Baht CONSOLIDATED FINANCIAL STATEMENTS					
			Shareholding percentage		Cost		Book Value	
							Equity Method	
			As at	As at	As at	As at	As at	As at
			December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
			2020	2019	2020	2019	2020	2019
AIRA & AIFUL Public Company Limited	Consumer finance	Thai	30	30	1,200,000	1,200,000	439,873	651,496
Travelex (Thailand) Limited	The business of foreign currency exchange	Thai	38	38	41,800	41,800	20,648	26,933
Total					1,241,800	1,241,800	460,521	678,429

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	
			As at	As at	As at	As at	As at	As at	As at	As at
			December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
			2020	2019	2020	2019	2020	2019	2020	2019
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

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		SEPARATE FINANCIAL STATEMENTS	
	Share of loss from investments in associates		Dividend received	
	For the year ended December 31,		For the year ended December 31,	
	2020	2019	2020	2019
AIRA & AIFUL Public Company Limited	(11,423)	(100,195)	-	-
Travelex (Thailand) Limited	(5,977)	(6,837)	-	-
Total	(17,400)	(107,032)	-	-

Financial information about investments in associates

Information about financial position of investment associates as at December 31, 2020 and 2019 are as follows;

	AIRA & AIFUL Public Company Limited		Travelex (Thailand) Limited	
	2020	2019	2020	2019
Current assets	5,808	6,110	62	78
Non-current assets	510	87	6	4
Current liabilities	(4,517)	(3,538)	(13)	(15)
Non-current liabilities	(353)	(239)	-	-
Net assets	1,448	2,420	55	67
Shareholding percentage (%)	30	30	38	38
Share of net assets	434	726	21	26
Carrying amount of associate based on the equity method	434	726	21	26

Summarized information about comprehensive income for the years ended December 31, 2020 and 2019 are as follows;

	AIRA & AIFUL Public Company Limited		Unit : Million Baht Travelex (Thailand) Limited	
	2020	2019	2020	2019
Revenue	1,753.2	1,861.0	4.4	8.3
Loss	(55.6)	(334.0)	(15.7)	(18.0)
Other comprehensive loss	-	(0.2)	-	-
Total comprehensive loss	(55.6)	(334.2)	(15.7)	(18.0)

19. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2020 and 2019 are as follows;

Company's name	SEPARATE FINANCIAL STATEMENTS						Unit : Million Baht	
	Paid-up		Shareholding		Cost		Dividend received by	
	share capital		percentage				the Company	
	As at	As at	As at	As at	As at	As at	For the year ended	
	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	
	2020	2019	2020	2019	2020	2019	2020	2019
			(%)	(%)				
AIRA Securities Plc.	1,100	1,100	99.99	99.99	1,133	1,133	51	-
AIRA Factoring Plc.	400	400	71.55	71.55	584	584	24	29
AIRA International Advisory (Singapore) Pte. Ltd.	37	37	96.67	96.67	36	36	-	-
AIRA Property Plc.	650	650	60.00	60.00	390	390	-	-
AIRA Leasing Plc.	500	500	71.85	91.85	378	478	-	-
AIRA Venture Capital Limited	5	5	99.99	99.99	5	5	-	-
AIRA Asset Management Company Limited	45	25	99.99	99.99	45	25	-	-
Total					2,571	2,651	75	29

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

Company's name	Proportion of equity		Accumulated balance of		Profit (loss) allocated to		Unit : Million Baht	
	interest held by		non-controlling interests		non-controlling interests		Dividend paid to	
					during the year		non-controlling interests	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)	(%)						
AIRA Factoring Plc.	28.45	28.45	148	150	12	12	24	11
AIRA Property Plc.	40.00	40.00	247	251	(4.3)	(3.6)	-	-
Aspiration One Co., Ltd.*	64.00	64.00	323	368	(45.2)	(16.6)	-	-

* 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, 2020 and 2019 are as follows;

	AIRA Factoring Plc.		AIRA Property Plc.		Unit : Million Baht Aspiration One Co., Ltd.	
	2020	2019	2020	2019	2020	2019
Current assets	2,056	2,505	9	27	191	51
Non-current assets	121	52	611	601	1,897	1,957
Current liabilities	1,638	2,014	2	377	261	426
Non-current liabilities	18	14	0.4	0.4	946	632

Summarized information about comprehensive income as at December 31, 2020 and 2019 are as follows;

	AIRA Factoring Plc.		AIRA Property Plc.		Unit : Million Baht Aspiration One Co., Ltd.	
	2020	2019	2020	2019	2020	2019
Revenue	210	231	0.2	0.5	85	3
Profit (loss)	(171)	42	(11)	(9)	(156)	(26)
Total comprehensive income (loss)	(171)	42	(11)	(9)	(156)	(26)

Summarized information about cash flow as at December 31, 2020 and 2019 are as follows;

	AIRA Factoring Plc.		AIRA Property Plc.		Unit : Million Baht Aspiration One Co., Ltd.	
	2020	2019	2020	2019	2020	2019
Cash flow provided by (used in) operating activities	381	18	(9)	(9)	(199)	43
Cash flow used in investing activities	(5)	-	(9)	(149)	(6)	(722)
Cash flow provided by (used in) financing activities	(373)	(68)	(1)	150	356	685
Net increase (decrease) in cash and cash equivalents	3	(50)	(19)	(8)	151	6

AIRA Property Public Company Limited

On April 16, 2020, AIRA Property Public Company Limited made additional investment by buying 900,000 additional ordinary shares of Aspiration Two Company Limited with a par value of Baht 10 each, totaling Baht 9 million which was registered capital increase with the Department of Business Development, the Ministry of Commerce on June 6, 2019.

In this regard, the Company holds 90% of the shares in that company for the purpose of operating real estate business.

Aspiration Two Company Limited registered with the Ministry of Commerce on March 19, 2020, with registered capital of Baht 1 million, divided into 100,000 shares at a price of Baht 10 per share and registered capital increase with the Department of Business Development, the Ministry of Commerce on April 17, 2020, to be a registered capital of Baht 10 million divided into 1 million shares at a price of Baht 10 per share (full payment for shares).

AIRA Asset Management Company Limited

On September 15, 2020, the Company made additional investment in AIRA Asset Management Company Limited of additional Baht 2 per share for 9,999,997 shares, totaling Baht 20 million which was registered capital increase with the Department of Business Development, the Ministry of Commerce on September 18, 2020.

AIRA Leasing Public Company Limited

On December 9, 2020, the Company entered into an agreement to sell 100 million of the shares which it held in AIRA Leasing Public Company Limited to NEC Capital Solutions Limited (“NECAP”) representing 20 percent of the registered capital of AIRA Leasing Public Company Limited, at a price of Baht 1.85 per share, or a total of Baht 185 million. The Company has gain on such sale of the shares amounting to Baht 85 million which was presented as a part of “Gain on investments and dividend” in profit or loss in the separate statement of comprehensive income. Following the transaction, the Company’s shareholding in AIRA Leasing Public Company Limited is 71.85 percent.

20. GOODWILL

As at December 31, 2020 and 2019, 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.

21. OTHER NON-CURRENT FINANCIAL ASSETS AND OTHER LONG-TERM INVESTMENTS

Other non-current financial assets and other long-term investments as at December 31, 2020 and 2019 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2020	2019
Other non-current financial assets and other long-term investments		
Equity securities	3,668	3,668
Total other non-current financial assets and other long-term investments	<u>3,668</u>	<u>3,668</u>

22. ASSETS HELD FOR LEASE

Assets held for lease as at December 31, 2020 and 2019 are as follows;

Unit : Thousand Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2020	Additions	Disposal	Transfer in/ (Transfer out)	Balance as at December 31, 2020
Cost					
Machinery	236,953	61,452		(55,574)	242,831
Equipment	302	20	-	-	322
Total cost	237,255	61,472	-	(55,574)	243,153
Accumulated depreciation					
Machinery	(147,119)	(13,392)	-	20,214	(140,297)
Equipment	(269)	(13)	-	-	(282)
Total accumulated depreciation	(147,388)	(13,405)	-	20,214	(140,579)
Assets held for lease	89,867				102,574

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

Depreciation for the years ended December 31,

2020	Thousand Baht	13,405
2019	Thousand Baht	17,798

As at January 1, 2020, the subsidiary transferred partial of assets at cost and net book value of Baht 55.57 million and Baht 35.36 million, respectively, from assets held for lease to right of use assets because the Company has adopted TFRS 16 from January 1, 2020.

As at December 31, 2020 and 2019, certain assets held for lease of the subsidiary has been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 43 million in each year.

23. INVESTMENT PROPERTY

Investment property as at December 31, 2020 and 2019 are as follows;

	Unit : Thousand Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2020	Increase	Transfer between accounts	Balance as at December 31, 2020
Cost:				
Leasehold	368,088	-	(1,314)	366,774
Building and structure	1,593,954	1,915	(5,690)	1,590,179
Total Costs	1,962,042	1,915	(7,004)	1,956,953
Accumulated depreciation:				
Leasehold	(1,515)	(12,103)	34	(13,584)
Building and structure	(6,559)	(52,491)	148	(58,902)
Total accumulated depreciation	(8,074)	(64,594)	182	(72,486)
Total investment property	1,953,968			1,884,467

	Unit : Thousand Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2019	Increase	Transfer between accounts	Balance as at December 31, 2019
Cost:				
Leasehold	-	-	368,088	368,088
Building and structure	-	-	1,593,954	1,593,954
Total Costs	-	-	1,962,042	1,962,042
Accumulated depreciation:				
Leasehold	-	(1,515)	-	(1,515)
Building and structure	-	(6,559)	-	(6,559)
Total accumulated depreciation	-	(8,074)	-	(8,074)
Total investment property	-			1,953,968

Depreciation for the years ended December 31,		
2020	Thousand Baht	<u>64,594</u>
2019	Thousand Baht	<u>8,074</u>

During the year 2019, the subsidiary transferred entire of leasehold on 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.

During the year 2020, the subsidiary transferred partial of building at cost and net book value of Baht 7.00 million and Baht 6.82 million, respectively, from investment property to equipment as the subsidiary used as office (see Note 24).

24. EQUIPMENT

Equipment as at December 31, 2020 and 2019 are as follows;

Unit : Thousand Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2020	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2020
Cost					
Leasehold improvements	74,148	108	(8,785)	7,004	72,475
Office equipment	90,315	4,108	(2,639)	(260)	91,524
Decoration and installation	44,557	2,856	(7,658)	821	40,576
Tools	264	498	-	-	762
Vehicles	55,407	8,040	(13,246)	(7,442)	42,759
Total cost	264,691	15,610	(32,328)	123	248,096
Accumulated depreciation					
Leasehold improvements	(43,320)	(6,834)	3,781	(182)	(46,555)
Office equipment	(75,696)	(6,815)	2,379	120	(80,012)
Decoration and installation	(36,001)	(3,412)	6,048	-	(33,365)
Tools	(2)	(141)	-	-	(143)
Vehicles	(46,660)	(3,015)	13,246	2,347	(34,082)
Total accumulated depreciation	(201,679)	(20,217)	25,454	2,285	(194,157)
Work under installation	821	659	-	(821)	659
Equipment	63,833				54,598

Unit : Thousand Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2019	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2019
Cost					
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
Accumulated depreciation					
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
Equipment	79,206				63,833
Depreciation for the years ended December 31,					
2020				Thousand Baht	20,217
2019				Thousand Baht	27,875

				Unit : Thousand Baht
SEPARATE FINANCIAL STATEMENTS				
	Balance as at January 1, 2020	Additions	Disposals	Balance as at December 31, 2020
Cost				
Office equipment	6,104	146	(367)	5,883
Decoration and installation	8,435	-	(55)	8,380
Total cost	14,539	146	(422)	14,263
Accumulated depreciation				
Office equipment	(5,049)	(490)	367	(5,172)
Decoration and installation	(7,951)	(319)	55	(8,215)
Total accumulated depreciation	(13,000)	(809)	422	(13,387)
Equipment	1,539			876

Unit : Thousand Baht				
SEPARATE FINANCIAL STATEMENTS				
	Balance as at January 1, 2019	Additions	Disposals	Balance as at December 31, 2019
Cost				
Office equipment	6,137	198	(231)	6,104
Decoration and installation	8,435	-	-	8,435
Total cost	14,572	198	(231)	14,539
Accumulated depreciation				
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)
Equipment	2,280			1,539

Depreciation for the years ended December 31,

2020	Thousand Baht	809
2019	Thousand Baht	939

As at January 1, 2020, the subsidiaries transferred partial of vehicles at cost and net book value of Baht 7.44 million and Baht 5.09 million, respectively, and from office equipment at cost and net book value of Baht 0.26 million and Baht 0.14 million, respectively, from equipment to right of use assets because the subsidiaries have adopted TFRS 16 from January 1, 2020.

As at December 31, 2020, certain equipment items of the Company and its subsidiaries have been fully depreciated but still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 121 million (2019: Baht 117 million). The Separate financial statements only Baht 11 million (2019: Baht 10 million).

25. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL

Other intangible assets other than goodwill as at December 31, 2020 and 2019 are as follows;

Unit : Thousand Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	Useful life	Balance as at January 1, 2020	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2020
Cost						
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	74,904	6,951	-	131	81,986
Total cost		270,604	6,951	-	131	277,686
Amortization						
Securities license fee		(77,957)	-	-	-	(77,957)
SET membership fee		(27,370)	-	-	-	(27,370)
Computer software		(44,301)	(10,406)	-	-	(54,707)
Total accumulated amortization		(149,628)	(10,406)	-	-	(160,034)
Intangible assets under installation		131	1,872	-	(131)	1,872
Other intangible assets		121,107				119,524

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
Cost						
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
Amortization						
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
Other intangible assets		129,420				121,107

Amortization for the years ended December 31,			
2020	Thousand Baht	10,406	
2019	Thousand Baht	10,581	

Unit : Thousand Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
	Useful life	Balance as at January 1, 2020	Additions	Disposals	Balance as at December 31, 2020
Cost					
Computer software	5 - 10 Years	1,557	-	-	1,557
Total cost		1,557	-	-	1,557
Amortization					
Computer software		(817)	(289)	-	(1,106)
Total accumulated amortization		(817)	(289)	-	(1,106)
Other intangible assets		740			451

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

Amortization for end of the years as at December 31,
2020
2019

Thousand Baht	289
Thousand Baht	292

As at December 31, 2020, certain computer software items of subsidiaries have been fully amortized but still in use. The gross carrying amount before deducting accumulated amortization of those assets amounted to approximately Baht 23 million (2019: Baht 17 million). The Separate financial statements only Baht 0.2 million (2019: Baht 0.2 million).

26. ASSETS HELD FOR SALE

Assets held for sale as at December 31, 2020 and 2019 are as follows;

Unit : Thousand Baht		
CONSOLIDATED FINANCIAL STATEMENTS		
	As at December 31, 2020	As at December 31, 2019
Machinery	12,878	11,994
Less Allowance for impairment	(10,000)	(8,375)
Machinery - net	2,878	3,619

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

27. RIGHT-OF-USE ASSETS

Right-of-use assets as at December 31, 2020 are as follows:

					Unit : Thousand Baht
CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2020 Thousand Baht	Consequence from initial apply to TFRS 16 Thousand Baht	Additions Thousand Baht	Disposal Thousand Baht	Balance as at December 31, 2020 Thousand Baht
Cost					
Buildings	-	96,270	19,702	(36,663)	79,309
Machinery and equipment	-	51,403	4,431	-	55,834
Vehicles	-	7,443	3,403	-	10,846
Total cost	-	155,116	27,536	(36,663)	145,989
Accumulated depreciation					
Building	-	-	(36,954)	6,882	(30,072)
Machinery and equipment	-	(20,335)	(6,289)	-	(26,624)
Vehicles	-	(2,347)	(2,534)	-	(4,881)
Total accumulated depreciation	-	(22,682)	(45,777)	6,882	(61,577)
Total right-of-use assets	-				84,412
Depreciation for the year ended December 31, 2020				Thousand Baht	45,777

					Unit : Thousand Baht
SEPERATE FINANCIAL STATEMENTS					
	Balance as at January 1, 2020 Thousand Baht	Consequence from initial apply to TFRS 16 Thousand Baht	Additions Thousand Baht	Disposal Thousand Baht	Balance as at December 31, 2020 Thousand Baht
Cost					
Building	-	11,249	-	-	11,249
Total cost	-	11,249	-	-	11,249
Accumulated depreciation					
Building	-	-	(4,821)	-	(4,821)
Total accumulated depreciation	-	-	(4,821)	-	(4,821)
Total right-of-use assets	-				6,428
Depreciation for the year ended December 31, 2020				Thousand Baht	4,821

28. OTHER NON CURRENT-ASSETS

Other non-current assets as at December 31, 2020 and 2019 are as follows;

	CONSOLIDATED		Unit : Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2020	2019	2020	2019
Deposits and guarantee	10,723	5,788	1,298	1,304
Clearing Fund	59,482	53,772	-	-
Withholding tax	776	14,340	424	300
Other non-current assets	-	1,462	-	-
Total	<u>70,981</u>	<u>75,362</u>	<u>1,722</u>	<u>1,604</u>

29. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Short-term borrowings from financial institutions as at December 31, 2020 and 2019 are as follows;

	Interest rate		Unit : Thousand Baht	
	(% per annum)		CONSOLIDATED	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Promissory notes	1.37 - 4.05	1.75 - 4.20	<u>1,803,000</u>	<u>2,122,000</u>
Total short-term borrowings from financial institutions			<u>1,803,000</u>	<u>2,122,000</u>

As at December 31, 2020 and 2019, the subsidiaries had credit facilities for bank overdrafts and short-term loans from financial institutions. Under these credit facilities, the subsidiaries have to comply with certain terms and conditions prescribed in the agreements such as not to mortgage, pledge or create of commitment over any assets of subsidiaries (Negative pledge) and maintain the financial ratio, etc.

As at December 31, 2020, the subsidiaries had unutilized credit facilities and short-term borrowings from loan agreements totaling Baht 2,467 million (As at December 31, 2019: Baht 2,148 million).

30. PAYABLES TO CLEARING HOUSE AND BROKER - DEALERS

Payables to Clearing House and broker - dealers as at December 31, 2020 and 2019 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2020	2019
Payables to Clearing House	-	141,239
Payables to overseas securities companies	<u>50,874</u>	<u>-</u>
Total payables to Clearing House and broker - dealers	<u>50,874</u>	<u>141,239</u>

31. SECURITIES AND DERIVATIVES BUSINESS PAYABLES

Securities and derivatives business payables as at December 31, 2020 and 2019 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2020	2019
Securities business payables		
Cash accounts	364,379	159,607
Total securities and derivatives business payables	<u>364,379</u>	<u>159,607</u>

32. OTHER CURRENT PAYABLES

Other current payables as at December 31, 2020 and 2019 are as follows;

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2020	2019
Other payables - related parties	362	224
Other payables - other parties	175,306	378,619
Accrued marketing staff incentive	10,176	4,423
Deposits and cheque in transit awaiting to transfer	174	582
Total	<u>186,018</u>	<u>383,848</u>

33. LEASE LIABILITIES

Lease liabilities as at December 31, 2020 and 2019 are as follows;

	Unit: Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2020	2019
Maturity analysis:		
Year 1	47,818	14,595
Year 2	22,885	7,984
Year 3	2,737	3,027
Year 4	905	1,330
Year 5	-	695
	<u>74,345</u>	<u>27,631</u>
Less unearned interest	(3,595)	(1,872)
Total	<u>70,750</u>	<u>25,759</u>
Classified as:		
Non-current	25,811	12,329
Current	44,939	13,430
Total	<u>70,750</u>	<u>25,759</u>

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

34. BILLS OF EXCHANGE

Bills of exchange as at December 31, 2020 and 2019 are as follows;

	Interest rate		CONSOLIDATED		Unit : Thousand Baht	
	(% per annum)		FINANCIAL STATEMENTS		SEPARATE	
	As at	As at	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Bills of exchange	4.50 - 5.00	3.00 - 4.75	800,000	556,000	-	-
<u>Less</u> Prepaid interest expenses			(5,953)	(3,690)	-	-
Total bills of exchange			<u>794,047</u>	<u>552,310</u>	<u>-</u>	<u>-</u>

As at December 31, 2020, the balance of the bills of exchange of the subsidiary included related persons of Baht 794 million (As at December 31, 2019: Baht 497 million).

35. SUBORDINATED DEBENTURES

Subordinated debentures as at December 31, 2020 and 2019 are as follows;

Issue date	Number of debentures (shares)	Interest rate per annum	Age	Maturity date	Unit : Thousand Baht	
					CONSOLIDATED	
					FINANCIAL STATEMENTS	
					As at December 31, 2020	As at December 31, 2019
April 1, 2019	150,000	Year 1 - 3 Fixed rate 5.0%	3 years	April 1, 2022	150,000	150,000
Total					<u>150,000</u>	<u>150,000</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, 2020 the balance of the above subordinated debentures of the subsidiary included related persons of Baht 40 million (As at December 31, 2019: Baht 40 million) (see Note 6).

36. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, 2020 and 2019 are as follows;

	CONSOLIDATED		Unit : Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Accrued expenses	494	501	49	51
Withholding taxes	17,097	11,762	410	1,752
Undue out-put rate	2,626	1,233	-	-
Accrued duty stamp fee	37	3	-	-
Accrued special business tax	792	981	-	-
Retention	97,022	70,055	-	-
Vat payables	445	4,582	-	-
Other current liabilities	3,208	2,120	-	-
Total	121,721	91,237	459	1,803

37. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Long-term borrowings from financial institutions as at December 31, 2020 and 2019 are as follows;

	Interest rate		Unit : Thousand Baht	
	(% per annum)		CONSOLIDATED	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Long-term borrowings from financial institutions	MLR - 2.15	MLR - 2.15	982,500	625,500
<u>Less</u> Current Portion of long-term borrowings				
from a financial institution	MLR - 2.15	MLR - 2.15	(70,000)	(17,500)
Total			912,500	608,000

As at December 31, 2020 and 2019, 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. 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.

38. NON-CURRENT PROVISION FOR EMPLOYEE BENEFITS

Non-current provision for employee benefits, which is compensations on employees' retirement, are as follows;

	CONSOLIDATED		Unit : Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2020	2019	2020	2019
Defined benefit obligation at beginning of years	22,628	28,588	2,120	9,357
Included in profit or loss:				
Current service cost	3,096	4,721	236	858
Interest cost	477	695	44	189
Past service cost	-	-	-	-
Included in other comprehensive income:				
Actuarial gain (loss) arising from				
Demographic assumptions changes	(507)	137	-	-
Financial assumptions changes	947	4	-	-
Experience adjustments	3,853	(8)	-	-
Current provisions for employee benefits	(695)	-	-	-
Benefit paid during the years	-	(11,509)	-	(8,284)
Defined benefit obligation at ending of years	<u>29,799</u>	<u>22,628</u>	<u>2,400</u>	<u>2,120</u>

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

	CONSOLIDATED		Unit : Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2020	2019	2020	2019
Current service cost	3,096	4,721	236	858
Interest cost	477	695	44	189
Past service cost	-	181	-	-
Total expenses recognized in profit or loss	<u>3,573</u>	<u>5,597</u>	<u>280</u>	<u>1,047</u>

The subsidiaries expect to pay Baht 9.1 million of long-term employee benefits during the next year (2019: Baht 2.4 million).

As at December 31, 2020, the weighted average duration of the liabilities for long-term employee benefit approximately 3 - 15 years (the Separate financial statements only: 3 years) (as at December 31, 2019: 3 - 12 years, the Separate financial statements only: 3 years).

Principal actuarial assumptions at the valuation date were as follows:

	CONSOLIDATED		Unit : % per annum	
	FINANCIAL STATEMENTS		SEPARATE	
	2020	2019	2020	2019
Discount rate	1.52 - 2.99	1.52 - 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	10.0 - 40.0	19.0	19.0

Sensitivity analysis for significant assumptions that effect to the long-term employee benefit obligation as at December 31, 2020 is summarized 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	2,943	4,295	4,391	2,855

	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	2,305	2,365	2,385	2,285

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

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 Group reflected the effect of such change by recognizing gain or loss from change in estimate as an expense in the statement of comprehensive income for the year ended December 31, 2018.

39. SHARE CAPITAL

Reconciliation of number of share capital

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2020		As at December 31, 2019	
	Number of shares Thousand shares	Amount Thousand Baht	Number of shares Thousand shares	Amount Thousand Baht
Authorized share capital				
At beginning of year	6,314,879	1,578,720	7,160,000	1,790,000
At end of year	<u>6,314,879</u>	<u>1,578,720</u>	<u>7,160,000</u>	<u>1,790,000</u>
Issued and paid-up share capital				
At beginning of year	6,314,879	1,578,720	6,314,879	1,578,720
At end of year	<u>6,314,879</u>	<u>1,578,720</u>	<u>6,314,879</u>	<u>1,578,720</u>

According to a Minutes of the Shareholders' Annual General Meeting held on September 10, 2020, the meeting resolved to approve a decrease in registered share capital of 845,121,467 shares with a par value of Baht 0.25 which were originally issued to be reserved for exercise of the warrants. The warrants expiration dates had passed. The Company reduced registered shares from Baht 1,790,000,000 to Baht 1,578,719,633.25 and registered shares reduction with the Ministry of Commerce on September 22, 2020.

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 EXPENSES

Corporate income tax expenses was calculated on profit (loss) before income tax for the year, using the estimated effective tax rate for the year.

Income tax expenses for the year ended December 31, 2020 and 2019 are summarized as follows;

	Unit : Thousand Baht	
	2020	2019
	CONSOLIDATED FINANCIAL STATEMENTS For the year ended December 31,	
Deferred tax assets	35,933	38,830
Deferred tax liabilities	(13,163)	(11,863)
Total	<u>22,770</u>	<u>26,967</u>

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

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS			
Beginning balance as at January 1, 2020	Items as recognized in profit or loss	Items as recognized in other comprehensive Income	Ending balance as at December 31, 2020
Temporary Difference			
Finance lease receivables	15,068	(6,890)	8,178
Allowance for expected credit loss	19,372	2,834	22,206
Allowance for impairment of asset held for sales	1,675	325	2,000
Non-current provision for employee benefits	3,843	2,255	(858)
Unrealized loss on changes in investment	5,687	-	514
Other intangible assets other than goodwill	535	330	-
Commission fees	(313)	55	-
Other assets	169	(142)	-
Accrued rental	486	(1,101)	-
Liabilities under finance lease agreements	(248)	17	-
Assets depreciation	(4,127)	1,335	-
Disposal of intangible assets	(18,027)	(24)	-
Tax loss carry forward	2,847	(2,847)	-
Total	26,967	(3,853)	(344)

Unit : Thousand Baht

CONSOLIDATED 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	-
Employee benefit obligations	3,696	147	-
Unrealized loss on changes in investment	5,052	635	-
Other intangible assets other than goodwill	213	322	-
Commission fees	227	(540)	-
Other assets	325	(156)	-
Accrued rental	744	(258)	-
Liabilities under finance lease agreements	(211)	(37)	-
Assets depreciation	(4,822)	695	-
Disposal of intangible assets	(18,003)	(24)	-
Tax loss carry forward	1,582	1,265	-
Total	19,868	7,099	-

The reconciliation between accounting profit (loss) and income tax expense for the years ended December 31, 2020 and 2019 are shown below.

The Company used a tax rate 20% for calculation deferred income tax for the years ended December 31, 2020 and 2019.

Income tax expense for the years ended December 31, 2020 and 2019 consist of the following:

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2020	2019
Current income taxes		
Current income taxes for the years	24,744	14,057
Deferred income taxes		
Relating to origination and reversal of temporary differences	5,089	(6,464)
Income tax expense presented in statements of comprehensive income	<u>29,833</u>	<u>7,593</u>

The Company used tax rate for the years ended December 31, 2020 and 2019 are shown below.

CONSOLIDATED FINANCIAL STATEMENTS				
	2020		2019	
	Tax rate	Amount	Tax rate	Amount
	%	Thousand Baht	%	Thousand Baht
Loss before income tax		<u>(47,077)</u>		<u>(165,734)</u>
Applicable tax rate	20	(9,121)	20	(32,942)
Deferred tax relating to origination and reversal of temporary differences		29,833		7,593
Effects of income exempt from tax and non-deductible expenses for tax purpose		<u>9,121</u>		<u>32,942</u>
Income tax expense presented in the statements of comprehensive income	(63)	<u>29,833</u>	(5)	<u>7,593</u>

SEPARATE FINANCIAL STATEMENTS				
	2020		2019	
	Tax rate	Amount	Tax rate	Amount
	%	Thousand Baht	%	Thousand Baht
Profit (loss) before income tax	20	<u>105,181</u>	20	<u>(26,621)</u>
Applicable tax rate		21,036		(5,324)
Effects of income exempt from tax and non-deductible expenses for tax purpose		<u>(21,036)</u>		<u>5,324</u>
Income tax expense presented in the statements of comprehensive income	-	<u>-</u>	-	<u>-</u>

As at December 31, 2020, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 437 million (2019: Baht 348 million) the Company totaling Baht 207 million (2019: Baht 199 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 loss are summarized as below:

	CONSOLIDATED		Unit : Million Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
December 31, 2020	-	53	-	31
December 31, 2021	41	41	12	12
December 31, 2022	97	97	55	55
December 31, 2023	75	75	50	51
December 31, 2024	82	82	54	50
December 31, 2025	142	-	36	-
	<u>437</u>	<u>348</u>	<u>207</u>	<u>199</u>

42. BROKERAGE FEES INCOME

Brokerage fees income for the years ended December 31, 2020 and 2019 are as follows;

	Unit : Thousand Baht CONSOLIDATED FINANCIAL STATEMENTS For the year ended December 31,	
	2020	2019
Brokerage fees from securities business	240,536	155,550
Brokerage fees from derivatives business	181,539	116,155
Others	271	-
Total	<u>422,346</u>	<u>271,705</u>

43. FEES AND SERVICES INCOME

Fees and services income for the years ended December 31, 2020 and 2019 are as follows;

	Unit : Thousand Baht CONSOLIDATED FINANCIAL STATEMENTS For the year ended December 31,		Unit : Thousand Baht SEPARATE FINANCIAL STATEMENTS For the year ended December 31,	
	2020	2019	2020	2019
Financial advisory	12,828	14,555	-	-
Private fund management	1,803	1,309	-	-
Service and front-end	41,072	47,756	-	-
Others	11,295	3,672	1,720	-
Total	<u>66,998</u>	<u>67,292</u>	<u>1,720</u>	<u>-</u>

44. OTHER EXPENSES

Other expenses for the years ended December 31, 2020 and 2019 are as follows;

	CONSOLIDATED		Unit : Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2020	2019	2020	2019
Premises and equipment expenses	70,262	94,207	193	5,305
Taxes and duties	18,506	18,889	110	107
Professional fee	8,996	11,670	586	540
Information system expenses	12,590	12,875	164	478
Marketing expenses	9,661	10,293	-	-
Transportation expenses	7,363	8,059	22	1,838
Provision of impairment for asset held for sale	2,947	1,863	-	-
Loss on exchange rate	-	5,060	-	5,124
Legal fee	1,593	1,885	-	-
Advisory fee	2,080	2,245	605	-
Entertain	1,021	-	549	-
Stationery and printing expenses	1,084	1,438	47	72
Donation	889	1,310	38	128
Bad debt	397	-	-	-
Other expenses	6,908	7,905	630	1,265
Total	<u>144,297</u>	<u>177,699</u>	<u>2,944</u>	<u>14,857</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. 2530. The Company, subsidiaries and employees of each company contribute to the funds monthly at the rate of 3 - 15 percent of basic salary. The funds, which are managed by Kasikorn Asset Management Company Limited and SCB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the years ended December 31, 2020 and 2019 were recognized as expenses as follows:

	CONSOLIDATED		Unit : Million Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2020	2019	2020	2019
Contributions to provident funds	13.4	12.3	2.0	1.6

46. IMPAIRMENT LOSS DETERMINED IN ACCORDANCE WITH TFRS 9 AND BAD DEBT AND DOUBTFUL DEBT

Impairment loss determined in accordance with TFRS 9 for the year ended December 31, 2020 is as follows;

Unit : Thousand Baht CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31, 2020	
Factoring receivables	7,523
Securities and derivatives business receivables	4,001
Loans receivable	17
Finance lease receivables	(324)
Hire purchase receivables	(2,465)
Other receivables	560
Total	<u>9,312</u>

Bad debt and doubtful debt for the year ended December 31, 2019 is as follows;

Unit : Thousand Baht CONSOLIDATED FINANCIAL STATEMENTS For the year ended December 31, 2019	
Factoring receivables	21,599
Lease receivables	2,040
Total	<u>23,639</u>

47. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding comprehensive income) by the weighted average number of ordinary shares which issued during the year.

Diluted earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding 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 tables set 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		
	For the years ended December 31,					
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand shares	2019 Thousand shares	2020 Baht/ share	2019 Baht/ share
Basic loss per share						
Loss attributable to equity holders of the Company	(37,957)	(164,960)	6,314,879	6,096,275	(0.006)	(0.027)
Diluted loss per share*						
Loss attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	-	(164,960)	-	6,096,275	-	(0.027)

*The Company issued warrant AIRA-W2 amounted to 781,887 thousand units which was expired date on August 2, 2019.

	SEPARATE FINANCIAL STATEMENTS					
	Loss for the year		Weighted average number of ordinary shares		Loss per share	
	For the years ended December 31,					
	2020	2019	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht/ share	Baht/ share
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	105,181	(26,621)	6,314,879	6,096,275	0.017	(0.004)
Diluted earnings (loss) per share*						
Profit (loss) attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	-	(26,621)	-	6,096,275	-	(0.004)

* The Company issued warrant AIRA-W2 amounted to 781,887 thousand units which was expired date on August 2, 2019.

48. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2020 and December 31, 2019, the Company and its subsidiaries have the following outstanding commitments.

- 1) The subsidiary has commitments to pay the fees related to its securities business to the Stock Exchange of Thailand, Thailand Clearing House Company Limited and Thailand Securities Depository Company Limited. These comprise a monthly fixed amount, a percentage of trading volume each month and/or a percentage of net settlements each month.
- 2) 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.

- 3) 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.
- 4) 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 fixed amount and certain other fees specified in the agreement.
- 5) The Company and its subsidiaries had capital commitments as at December 31, 2020 and 2019 in amount of Baht 5 million and Baht 4 million, respectively, relating to the office building improvements and computer and software improvements.

49. LEASE COMMITMENT

The Company and its subsidiaries have several lease agreements in respect of the lease of office building space and equipment and service agreements. Future minimum lease payments of the subsidiary expected to be received under these non-cancellable leases and service agreements as at December 31, 2020 and 2019 are as follows;

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Payable:				
Up to 1 year	66	68	0.4	6
In over 1 and up to 5 years	80	91	-	7

For the years ended December 31, 2020 and 2019, leases of the Company and its subsidiaries had been recorded as expenses in the statements of comprehensive income of Baht 14 million and Baht 57 million, respectively.

For the years ended December 31, 2020 and 2019, leases of the Company had been recorded as expenses in the statements of comprehensive income of Baht 0.05 million and Baht 4.9 million, respectively.

50. SEGMENT INFORMATION

The Company and its subsidiaries are organized into business units based on its products and services. During the current year, the Company and its subsidiaries have not changed the organization of their reportable segments.

The following tables present revenue, and profit (loss) information regarding the Company and its subsidiaries' operating segments for the year ended as at December 31, 2020 and 2019, are as follows;

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
For the year ended December 31, 2020							
	Securities business	Advisory and investment banking	Factoring	Rental and service business	Total reportable segments	Adjustments And Eliminations	CONSOLIDATED FINANCIAL STATEMENTS
Revenue from external customers							
Brokerage fees income							
- At a point in time	422	-	-	-	422	-	422
Fees and services income							
- At a point in time	-	11	-	-	11	-	11
- Over time	2	15	41	-	58	(2)	56
Interest income from factoring							
- Over time	-	-	160	-	160	-	160
Hire purchase and lease income							
- Over time	-	-	-	78	78	-	78
Income from operating lease contracts							
- Over time	-	-	-	124	124	-	124
Total revenue from external customers	424	26	201	202	853	(2)	851
Gain on investments	217	-	-	-	217	(160)	57
Interest income	58	-	8	6	72	(4)	68
Interest expenses	(29)	(2)	(42)	(75)	(148)	4	(144)
Depreciation and amortization	(46)	(3)	(8)	(94)	(151)	(3)	(154)
Impairment loss determined in accordance with TFRS 9	(4)	(1)	(7)	3	(9)	-	(9)
Other expenses	(80)	(3)	(33)	(29)	(145)	1	(144)
Segment profit	540	17	119	13	689	(164)	525
Unallocated revenue and expenses							
Interest income							24
Other income							14
Interest expenses							(1)
Operating expenses							(592)
Share of loss from investment in associates							(17)
Income tax expenses							(30)
Loss for the year							(77)

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
Revenue from external customers							
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
Total revenue from external customers	273	19	224	124	640	-	640
Gains from investment	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)
Segment profit	220	8	114	52	394	(31)	363
Unallocated revenue and expenses							
Interest income							38
Other income							7
Interest expenses							(4)
Operating expenses							(462)
Share of loss from investment in associates							(107)
Income tax expenses							(8)
Loss for the year							(173)

The following table presents segment assets of the Company and its subsidiaries as at December 31, 2020 and 2019;

	Securities and investment business	Advisory and investment banking	Factoring	Rental and service business	Total reportable segments	Unallocated assets	CONSOLIDATED FINANCIAL STATEMENTS
Segment assets							
At December 31, 2020	3,185	26	2,177	3,475	8,863	331	9,194
At December 31, 2019	4,575	33	2,557	1,539	8,704	360	9,064

Geographic information

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

	Unit : Million Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2020	2019
Revenue from external customers		
Thailand	1,010	781
Singapore	5	2
Total	<u>1,015</u>	<u>783</u>

Major customers

For the years 2020 and 2019, 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 and its subsidiaries 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 and its subsidiaries 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.

	CONSOLIDATED AND SEPARATE			Unit : Thousand Baht
	FINANCIAL STATEMENTS			
Financial assets	Fair value		Fair value	Valuation techniques
	As at	As at	hierarchy	and key inputs
	December 31,	December 31,		
	2020	2019		
<u>Financial assets</u>				
Investment, fair value through profit and loss				
Equity instruments – listed securities	193,725	-	Level 1	Quoted bid prices in an active market
Investment, fair value through other comprehensive income				
Equity instruments – listed securities	75,623	-	Level 1	Quoted bid prices in an active market
Investment				
Equity instruments – general investment	3,668	-	Level 3	Discounted cash flow
Available-for-sale investments				
Listed securities	-	78,191	Level 1	Quoted bid prices in an active market

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, 2020	
	Carrying Amount	Fair value
<u>Financial assets</u>		
Cash and cash equivalents	1,127,788	1,127,788
Receivable from Clearing House and broker – dealers	86,918	86,918
Securities and derivatives business receivables	1,531,194	1,531,194
Factoring receivables	1,822,423	1,822,423
Finance lease receivables	377,575	377,575
Hire purchase receivables	595,441	595,441
Loans receivable	285,942	285,942
Other current receivables	27,853	27,853
Other current financial assets	269,348	269,348

<u>Financial liabilities</u>		
Borrowings from financial institutions	1,803,000	1,803,000
Payable from Clearing House and broker – dealers	50,874	50,874
Securities and derivatives business payables	364,379	364,379
Retention from factoring	41,862	41,862
Excess receipts awaiting to repay	21,920	21,920
Liabilities under finance lease agreements	70,750	70,750
Long-term borrowing from financial institutions	982,500	982,500
Bills of exchange	794,047	794,047
Subordinated debentures	150,000	150,000

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at December 31, 2019	
	Carrying Amount	Fair value
<u>Financial assets</u>		
Cash and cash equivalents	616,748	616,748
Temporary investment	78,191	78,191
Receivable from Clearing House and broker – dealers	99,603	99,603
Securities and derivatives business receivables	1,341,030	1,341,030
Factoring receivables	2,399,114	2,399,114
Finance lease receivables	406,325	406,325
Hire purchase receivables	636,533	636,533
Loans receivable	161,234	161,234
Other current receivables	30,279	30,279

<u>Financial liabilities</u>		
Borrowings from financial institutions	2,122,000	2,122,000
Payable from Clearing House and broker – dealers	141,239	141,239
Securities and derivatives business payables	159,607	159,607
Retention from factoring	40,292	40,292
Excess receipts awaiting to repay	67,247	67,247
Liabilities under finance lease agreements	25,759	25,759
Long-term borrowing from financial institutions	625,500	625,500
Bills of exchange	552,310	552,310
Subordinated debentures	150,000	150,000

Unit : Thousand Baht
SEPARATE
FINANCIAL STATEMENTS
As at December 31, 2020

	Carrying Amount	Fair value
--	-----------------	------------

Financial assets

Cash and cash equivalents	618,470	618,470
Short-term loan to related parties	294,955	294,955
Other current receivables	24,493	24,493

Financial liabilities

Liabilities under finance lease agreements	6,620	6,620
--	-------	-------

Unit : Thousand Baht
SEPARATE
FINANCIAL STATEMENTS
As at December 31, 2019

	Carrying Amount	Fair value
--	-----------------	------------

Financial assets

Cash and cash equivalents	135,780	135,780
Short-term loan to related parties	588,222	588,222
Other current receivables	29,103	29,103

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, other current financial assets, 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, long-term borrowings from financial institutions, bills of exchange, and subordinated debentures, 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 investment, financial assets, receivables from Clearing House and broker-dealers, securities and derivatives business receivables, factoring receivables, finance lease receivables, operating lease receivables, hire purchase receivables, loans receivable, other receivables, investment in associates, deposit at financial institutions pledged as collateral, long-term borrowings from financial institutions, payables to Clearing House and broker-dealers, securities and derivatives business payables, retention from factoring, excess receipts awaiting to repay, lease liabilities, bills of exchange, subordinated debentures. 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 securities and derivatives business receivables, factoring receivables, finance lease receivables, operating lease receivables, hire purchase receivables, short-term loan receivables and other current receivables. The maximum exposure to credit risk is limited to the carrying amounts receivables as stated in the statement of financial position.

TFRS 9 makes stipulations relating to impairment of financial assets using an expected credit loss model. The Company and its subsidiaries have established and maintain an appropriate credit loss model. The risk management department periodically reviews the parameters and the data used in the credit loss model.

Securities and derivatives business receivables

The subsidiary managed the risk by setting up various measures to evaluate credit risks of all new customers when apply for new accounts to determining a proper credit line. The subsidiary also reviewed customers' credit lines continuously. To control risk in lending for securities purchase, the subsidiary evaluated the customers' financial status and ability to repay as well as the customers' current trading patterns. The subsidiary also limits the list of securities that can be purchased on margin, and considers the securities fundamentals and liquidity. In addition, the subsidiary limits the amount of securities that can be purchased and its concentration in any particular securities. In addition, the subsidiary does not have high concentrations of credit risk of retail client since they have a large customer base.

Factoring receivables, finance lease receivables, operating lease receivables, hire purchase receivables, loans receivable, and other current receivables

The subsidiaries managed the risk by adopting appropriate credit control policies and procedures whereby the Company and its subsidiaries analyses credit details of customers and follows up customers with overdue accounts in accordance with credit control practices, and considers the amount of retentions from factoring, and other obligation assets as collateral for each customer according to the assessed credit risk. Therefore, the Company and its subsidiaries do not expect to incur material financial loss. In addition, the Company and its subsidiaries does not have high concentrations of credit risk since it has a large customer base.

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, long-term borrowings from financial institutions 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, 2020 and 2019 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, 2020									
	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)									
Financial assets									
Cash and cash equivalents	1,067	-	-	-	-	61	1,128	0.125 - 1.20	0.05 - 0.125
Receivables from Clearing House and broker-dealers	-	-	-	-	-	87	87	-	-
Securities and derivatives business receivables	1,194	-	-	-	-	337	1,531	5.20 - 18.00	-
Factoring receivables	-	-	1,822	-	-	-	1,822	-	5.40 - 15.00
Finance lease receivables	-	-	139	239	-	-	378	-	2.68 - 11.53
Hire purchase receivables	-	-	224	371	-	-	595	-	9.00 - 15.00
Loans receivable	-	-	210	76	-	-	286	-	2.00 - 8.50
Other current assets	-	-	-	-	-	28	28	-	-
Other current financial assets	-	-	-	-	-	269	269	-	-
Financial liabilities									
Short-term loans from financial institutions	1,523	120	160	-	-	-	1,803	-	1.37 - 4.05
Payables to Clearing House and broker-dealers	-	-	-	-	-	51	51	-	-
Securities and derivatives business payables	-	-	-	-	-	364	364	-	-
Retention from factoring	-	-	-	-	-	42	42	-	-
Excess receipts awaiting to pay	-	-	-	-	-	22	22	-	-
Liabilities under finance lease agreements	-	-	45	26	-	-	71	-	4.37 - 7.42
Long-term borrowings from financial institutions	983	-	-	-	-	-	983	-	MLR - 2.5
Bills of exchange	-	-	794	-	-	-	794	-	2.50 - 5.00
Subordinated debentures	-	-	-	150	-	-	150	-	5.00

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

	Outstanding balances of financial instruments						Effective interest rate		
	Floating interest rate	Fixed interest rate				No interest	Total	Floating rate (Percent per annum)	Fixed rate
		Repricing or maturity dates							
		At call	Within 1 year	1 - 5 years	Over 5 years				
Financial assets									
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
Other current receivables	-	-	-	-	-	30	30	-	-
Financial liabilities									
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	-	-
Retention from factoring	-	-	-	-	-	40	40	-	-
Excess receipts awaiting to pay	-	-	-	-	-	67	67	-	-
Liabilities under finance lease agreements	-	-	13	12	-	-	25	-	4.37 - 13.32
Long-term borrowings from financial institutions	625	-	-	-	-	-	625	-	MLR - 2.5
Bills of exchange	-	-	552	-	-	-	552	-	3.00 - 4.75
Subordinated debentures	-	-	-	150	-	-	150	-	5.00

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2020

	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)										
Financial assets										
Cash and cash equivalents	618	-	-	-	-	-	618	0.125 - 1.20	-	
Loans to related parties	-	-	295	-	-	-	295	-	2.00 - 2.50	
Other current receivables	-	-	-	-	-	25	25	-	-	
Financial liabilities										
Lease liabilities	-	-	5	2	-	-	7	-	6.01	

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2019

	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)
Financial assets										
Cash and cash equivalents	136	-	-	-	-	-	136	0.38 - 1.25	-	
Loans to related parties	-	500	88	-	-	-	588	-	2.00	
Other current receivables	-	-	-	-	-	29	29	-	-	

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, 2020 and 2019, 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, 2020 and 2019 are as follows:

Unit : Million Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
As at December 31, 2020					
Outstanding balances of financial instruments					
At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets					
Cash and cash equivalents	1,128	-	-	-	1,128
Receivables from Clearing House	-	87	-	-	87
Securities and derivatives business receivables	-	337	-	1,194	1,531
Factoring receivables	-	1,822	-	-	1,822
Finance lease receivables	-	139	239	-	378
Hire purchase receivables	-	224	371	-	595
Loans receivable	-	210	76	-	286
Other current receivables	-	28	-	-	28
Financial liabilities					
Short-term loans from financial institutions	120	1,683	-	-	1,803
Payables to Clearing House	-	51	-	-	51
Securities and derivatives business payables	-	364	-	-	364
Retention from factoring	-	-	-	42	42
Excess receipts awaiting to repay	-	22	-	-	22
Liabilities under finance lease agreements	-	45	26	-	71
Long-term borrowings from financial institutions	-	70	-	913	983
Bills of exchange	-	794	-	-	794
Subordinated debentures	-	-	150	-	150

CONSOLIDATED FINANCIAL STATEMENTS						Unit : Million Baht
As at December 31, 2019						
Outstanding balances of financial instruments						
At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total	
Financial assets						
Cash and cash equivalents	526	91	-	-	617	
Receivables from Clearing House	-	100	-	-	100	
Securities and derivatives business receivables	-	210	-	-	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	
Other current receivables	-	30	-	-	30	
Financial liabilities						
Short-term loans from financial institutions	210	1,912	-	-	2,122	
Payables to Clearing House	-	141	-	-	141	
Securities and derivatives business payables	-	160	-	-	160	
Retention from factoring	-	40	-	-	40	
Excess receipts awaiting to repay	-	-	-	-	67	
Liabilities under finance lease agreements	-	13	12	-	25	
Long-term borrowings from financial institutions	-	18	-	608	626	
Bills of exchange	-	552	-	-	552	
Subordinated debentures	-	-	150	-	150	

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2020

Outstanding balances of financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash and cash equivalents	618	-	-	-	-	618
Loans to related parties	-	295	-	-	-	295
Other current receivables	-	25	-	-	-	25

Financial liabilities

Lease liabilities	-	5	2	-	-	7
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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
Financial assets						
Cash and cash equivalents	136	-	-	-	-	136
Loans to related parties	500	88	-	-	-	588
Other current receivables	-	29	-	-	-	29

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, 2020 and 2019, the Company and its subsidiaries have balances of financial assets and liabilities denominated in foreign currencies are summarized below.

CONSOLIDATED FINANCIAL STATEMENTS

Foreign currency	Financial assets		Average exchange rate	
	2020	2019	2020	2019
			Baht per foreign currency unit	
United State Dollars	196,624	121,207	29.8674	29.9766

SEPARATE FINANCIAL STATEMENTS

Foreign currency	Financial assets		Average exchange rate	
	2020	2019	2020	2019
			Baht per foreign currency unit	
Singapore Dollars	4,260,169	4,000,000	22.3724	22.0554

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, 2020, the Group's debt-to-equity ratio was 1.04:1 (2019: 0.96:1) and the Company's was 0.002:1 (2019: 0.001:1).

54. EVENT AFTER THE REPORTING PERIOD

On 24 February 2021, a meeting of the Board of Directors of the Company had the resolution to approve the payment of an annual dividend from net profit 2020 of Baht 0.013 per share, totaling Baht 82.09 million. The payment of such dividend is to be made pending approval by resolution of meetings of the Company's shareholders.

55. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on February 24, 2021.

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