

**(Translation)**

Aira 002/2012

April 2, 2012

Subject: Invitation to the Annual General Meeting of Shareholders for the year 2012

To: Shareholders

Enclosures: 1. Copy of the minutes of the Extraordinary General Meeting of Shareholders No. 1/2011

2. Annual report for the year 2011
3. Profiles of the candidates nominated for the appointment as directors
4. Code of conduct regarding the general meeting of shareholders
5. Summary of background and experience of the Company's directors proposed as proxy holders
6. Proxy Form B
7. Company's articles of association regarding the general meeting of shareholders
8. Location map of the meeting place

By virtue of the resolution of the Board of Directors, Aira Factoring Public Company Limited (the Company) will hold the Annual General Meeting of Shareholders for the year 2012 (the Annual General Meeting of Shareholders) on Wednesday April 18, 2012 at 10.00 hours at the Rachada 1 Room, 2<sup>nd</sup> Floor, The Chaophya Park Hotel, Rachadapisek Road, Samsenok, Huaykwang, Bangkok to consider the following agendas:

**Agenda No. 1: To acknowledge the minutes of Extraordinary General Meeting of Shareholders No. 1/2011 held on September 9, 2011**

Fact and Reason: The Company Secretary prepared the minutes of the Extraordinary General Meeting of Shareholders No.1/2011 of September 9, 2011. Which were subsequently certified by the Company's Board of Directors who agreed that the minutes correctly contained the resolutions of the Extraordinary General Meeting of Shareholders No.1/2011. Apart from having been delivered to the Stock Exchange of Thailand within 14 days from the date of the meeting as required by law, the minutes have also been posted on the Company's website at [www.airafactoring.co.th](http://www.airafactoring.co.th) for the shareholders to acknowledge them and check their accuracy within an appropriate time. Nobody raised an objection or requested an amendment to the minutes, as detailed in Enclosure No. 1. Therefore, it was deemed appropriate to present the minutes of the Extraordinary General Meeting of Shareholders No.1/2011 to the Annual General Meeting of Shareholders.

Board's Opinion: The Company should propose that the Annual General Meeting of Shareholders acknowledge the minutes of the Extraordinary General Meeting of Shareholders No.1/2011, held on September 9, 2011

Required resolution: The resolution for this agenda requires the majority votes of the shareholder who attend the meeting and cast their votes.

**Agenda No. 2: To acknowledge the Company's performance for the year 2011**

Fact and Reason: The report by the Board of Directors with respect of the Company's business performance for the year 2011 ended on December 31, 2011 has been produced portraying the operational results of the Company during 2011. The Board of Directors, having considered and deemed it correct and sufficient, hereby proposes that the Annual General Meeting of Shareholders acknowledge and approve the Company's business performance during 2011, ended on December 31, 2011, as contained in the Annual Report delivered to the shareholders together with this Invitation Letter (Enclosure No. 2).

Board's Opinion: The Company should report its business performance for the year 2011 to the Annual General Meeting of Shareholders for acknowledgement.

**Agenda No. 3: To consider and approve the Audit Balance Sheet and Income Statement for the year ended December 31, 2011.**

Fact and Reason: The balance sheet and the profit and loss statement for the accounting period ended on December 31, 2011 have been produced and audited by the auditors of the Company, as detailed in the Annual Report (Enclosure No.2). The Audit & Corporate Governance Committee and the Board of Directors, having considered and deemed them correct, complete and sufficient pursuant to the generally accepted accounting standards, hereby propose that the Annual General Meeting of Shareholders approve the balance sheet and the profit and loss statement for the accounting period ended on December 31, 2011 in accordance with section 112 of the Public Limited Companies Act B.E.2535 (A.D.1992).

Board's Opinion: The Company should propose that the Annual General Meeting of Shareholders approve the balance sheet and the profit and loss statement as of December 31, 2011 which were considered by the Audit Committee and audited by a certified public accountant.

Required resolution: The resolution for this agenda requires the majority votes of the shareholder who attend the meeting and cast their votes.

**Agenda No. 4: To consider and approve the allocation of profits and dividend payment of the second half of year 2011**

Fact and Reason: The Company has net profits in the financial year end December 31, 2011 of Baht 51.31 million and has not accumulated losses; therefore, the Company may consider paying dividends to the shareholders according to Section 115 of the Public Limited Companies Act B.E. 2535 and according to Article 42 the Aira's Articles of Association and the Company has the policy to pay dividend not less than 60 percent of net income after allocation of profits according to Section 115 of the Public Limited Companies Act B.E. 2535 and according to Article 42 the Aira's Articles of Association. In case the Company considers and pay dividend to the shareholders of 40 million shares at 1 Baht per share totaling of 40,000,000 Baht.

Besides the Company shall have to allocate a portion of annual net profit as a reserved fund in the amount not less than 5 percent of the annual net profit less the accumulated loss brought forward (if any) until the reserved fund attains the amount not less than those amount prescribed by laws in accordance to Section 116 of the Public Limited Companies Act B.E. 2535 and Article 43 of the Aira's Articles of Association.

As the dividend payment in precede year. The resolution had been resolved by the Board of Director Meeting No.5/2011 on August 10, 2011 to pay the interim dividend No.1/2011 in the total amount of 2 baht per share. Such dividend had been allocated from the net profit of year 2010 at the rate of 1.25 baht per share and from the net profit of the first half of year 2011 at the rate of 0.75 baht per share. The total dividend payment was equivalent to 40 million baht.

The payment record is as below:

Details of Dividend Payment	2011 (The First half)	2010
1. Net Profit as required by law	20,735,000	48,831,286
2. Number of Share (Share)	20,000,000	20,000,000
3. Total Dividend Payment (Baht per Share)	0.75	1.20
4. Total Dividend Amount (Baht)	15,000,000	25,000,000
5. Dividend Payout Ratio (Percent)	72.34	54.55

**Board's Opinion:** The shareholder should be approved to allocate net profit as follows:

1. To allocate for the Legal Reserved by laws and Article 43 of the Aira's Articles of Association is 5 percent of the net profit totaling Baht 2,600,000.

2. To pay dividend at 1 Baht per share totaling of 40,000,000 Baht The dividend payment will be approved to propose to the Shareholders Meeting for approval, which the list of shareholders who are entitled to receive dividend, following the Company Article, shall be fixed on April 26, 2012 and the compilation of the name of shareholders according to Section 225 of the Securities and Stock Exchange Act will be made by way of closing the registration book to suspend transfer of share on April 27, 2012 and which the due date of dividend payment will be 9 May 2012.

**Required resolution:** The resolution for this agenda requires the majority votes of the shareholder who attend the meeting and cast their votes.

**Agenda No. 5: To approve the appointment of Auditor and determine the auditor's remuneration for the year 2012.**

**Fact and Reason:** Section 120 of the Public Limited Companies Act B.E.2535 (A.D.1992) requires that each annual general meeting of shareholders appoint an auditor and fix his/her remuneration year to year. An existing auditor is eligible for re-election.

Under the Notification of the Securities and Exchange Commission No. Kor Chor 39/2005 Re: Rules, conditions and procedures for information disclosure relating to the financial condition and operating results of issuing companies (No. 20), an issuing company must ensure the rotation of its auditor if any auditor has been appointed to conduct the audit work for it for more than five (5) consecutive accounting years. However, the requirement of rotation does not mean a change of the audit firm; in other words, other members working for the same audit firm as the existing auditor may be elected to replace the existing auditor.

After due consideration by the Audit Committee, it was deemed appropriate to re-elect Ms. Rungnapa Lertsuwankul, C.P.A No.3516, Mr. Sophon Permsirivallop C.P.A.No.3182, Ms. Pimjai Manitkajohnkit, C.P.A.No.4521 or Mr. Chayapol Suppasetanon C.P.A.No.3972 of Ernst & Young Office Limited as auditors for 2012. The auditors did not give other services to the Company and had no relations and/or conflict of interest with the Company/ its management/ major shareholders or involved persons.

The total auditing fee is equivalent to 800,000 Baht excluding the other service fees,

In year 2011, the Company was paid the audit fee totaling 800,000 Baht with no other fees.

In year 2010, the Company was paid the audit fee totaling 844,600 Baht with no other fees.

**Board's Opinion:** The Company should propose that the Annual General Meeting of Shareholders appoint the Company's auditor and fix his/her remuneration as opined by the Board.

**Required resolution:** The resolution for this agenda requires the majority votes of the shareholder who attend the meeting and cast their votes.

**Agenda No. 6: To consider and approve the director's remuneration for the year 2012**

**Fact and Reason:** For the Annual General Meeting of Shareholders in 2012, the Nomination and Remuneration Committee and the Board of Directors considered various factors in support of their determination of directors' remuneration. Their consideration included a comparison with other companies in the same industry with the same capacity and nature of business, the scope of responsibilities and work performance of the Company's directors, and the outcome of a survey on directors' remuneration conducted by the Thai Institute of Directors (IOD). It was apparent that the Company's average director's remuneration is not different from the market rate. Therefore, it was deemed appropriate to propose that the Annual General Meeting of Shareholders approve the directors' remuneration for the year 2012 of up to Baht 2.75 million, as detailed as follows:

1. The remuneration of the Board of Director shall pay to the director who attend meeting with the rate as follow
 

1.1 The Chairman	receive	25,000	Baht / time
1.2 The director	receive	15,000	Baht / time
2. The remuneration of the Executive Committee shall pay to the director who attend meeting with the rate as follow
 

2.1 The Chief of the Executive Committee	receive	15,000	Baht / time
2.2 The Executive director	receive	10,000	Baht / time
3. The remuneration of the Audit Committee shall pay to the director who attend meeting with the rate as follow
 

3.1 The Chief of the Audit Committee	receive	25,000	Baht / time
3.2 The Audit director	receive	15,000	Baht / time
4. The remuneration of the Nomination Committee shall pay to the director who attend meeting with the rate as follow
 

1.1 The Chief of the Nomination Committee	receive	15,000	Baht / time
1.2 The Nomination director	receive	10,000	Baht / time
5. The consulting remuneration of the Credit Committee shall pay to Mr. Visit Vongruamlarp when attending Credit Committee meeting with rate of 5,000 Baht / time.
6. The extra remuneration for the director, including the total remuneration of the director from No.1, No.2, No.3, No.4 and No.5, shall not exceed 2,750,000 Baht.

Board's Opinion: The Company should propose that the Annual General Meeting of Shareholders approve the remuneration of directors as opined by the Board.

Required resolution: The resolution for this agenda requires the majority votes of the shareholder who attend the meeting and cast their votes.

**Agenda No. 7: To consider and approve the appointment of directors in place of those who retiring by rotation**

Fact and Reason: Pursuant to article 18 of the Company's articles of association, one-third of the directors must retire from office at each shareholders' general meeting and those directors who have longest been in office must retire first. For the first and second anniversaries of the Company's registration, the directors must retire by drawing lots. For subsequent years thereafter, the directors who have longest been in office must retire. The directors so retire may be re-elected to resume their office.

In this year, there are four (3) directors whose must retire by rotation:

1. Mr. Chatchaval Bhanalaph Chairman and Independent Director
2. Mrs. Ladavan Tanatanit Director and Chief of Executive Committee
3. Mrs. Jantima Sirisaengtaksin Director and Chief of Audit Committee

The shareholders were given the opportunity to nominate the names of qualified persons for being considered to be elected as directors as required by the recruitment from December 16, 2011 to January 31, 2012 through the website of the Company. However, there were no shareholders nominating the qualified persons to be elected as the directors.

The Nomination and Remuneration Committee complied with and followed the nomination criteria and procedures, which are detailed in the Annual Report of 2011 ([Enclosure No. 3](#)), taking into account the Company's structure of directors and individual directors' qualifications in various aspects. The Nomination and Remuneration Committee found that all the **three** directors are fit to work for the Company as the directors by reason of their qualifications, knowledge, abilities, experience and working performance in the past years, including their devotion and support to the Company's business operation for the Company's benefit. Furthermore, all the **three** directors are free of restricted characteristics, e.g. never being punished for the discharge or dismissal due to the fraudulent performance of duty, never being convicted with imprisonment sentence or found guilty relating to the unfaithful acquisition of property, and never being engaged in any business or holding shares in any business in the manner of competing against the Company's business. Therefore, it was deemed appropriate to propose that the **three** directors be re-elected to retain their directorships for another term.

The directors, excluding those with an interest in this agenda item, considered the opinion of the Nomination and Remuneration Committee and agreed that Mr. Chatchaval Bhanalaph Mrs. Ladavan Tanatanit and Mrs. Jantima Sirisaengtaksin have full qualifications required by the Public Limited Companies Act B.E.2535 (A.D.1992), with knowledge, ability, and experience relating to the Company's business, making them able to help develop the Company's business. Therefore, it was deemed appropriate to re-elect the four directors to retain their directorships for another term. Their profiles and other supporting information are set out in Enclosure No. 3. Qualifications of the Company's independent director (Definition of Independent Director) meet the requirements of the Capital Market Supervisory Board (please see details of an independent director's qualifications (Definition of Independent Director) in the Annual Report of 2011 under the section

"Structure and Components of Board of Directors", which was distributed to the shareholders together with this Invitation Letter (Enclosure No. 2)).

Board's Opinion: The Company should propose that the Annual General Meeting of Shareholders approve the remuneration of directors as opined by the Board.

Required resolution: The resolution for this agenda requires the majority votes of the shareholder who attend the meeting and cast their votes.

**Agenda No. 8: Other matters (if any)**

This agenda is for the shareholders to query (if any) and/or for the Board of Directors to give answers or clarification (if any) to the shareholders. No any other businesses will be considered and approved or resolved under this agenda item.

All shareholders are hereby invited to attend the Meeting at the date, time and place motioned above. Should there be any shareholder unable to attend the meeting, such shareholder may appoint another person or the Company's independent director (pursuant to the list of independent directors specified in the guideline for the proxy appointment) as his/her proxy to attend the meeting on his/her behalf by filling in the information and placing the shareholder's Secretary before the commencement of the meeting.

March 9, 2012 is the date set by the Company to determine the list of shareholders entitled to attend the Annual General Meeting of Shareholders 2012 and the name list of the shareholders shall be collected pursuant to Section 225 of the Securities and Exchange Act, B.E. 2535 by way of closing the shareholders register book for suspension of any share transfer on March 12, 2012. Should you be unavailable to participate in the meeting yourself, you may appoint any person or anyone of the following persons to attend the meeting and vote on your behalf. You should complete of the proxy form B. as set out in Enclosure No.6. The credentials and backgrounds of those persons appear in Enclosure No.8 and please send that proxy with supporting documents via mail following the company address to company within Wednesday April 11, 2012.

Sincerely yours,

Aira Factoring Public Company Limited

(Mr. Wiwat Kongkasai)

Managing Director

List of independent directors proposed to be appointed as proxy holders:

1. Mr. Suwat Lauparadorachai Independent Director
2. Mr. Poonsak Thiapairat Independent Director