

AF-CS 035/2020

20 August 2020

Subject: Invitation to the 2020 Annual General Meeting of Shareholders

To: The shareholders of AIRA Factoring Public Company Limited

- Enclosures:
1. The 2019 annual report in the form of QR Code
 2. Preliminary information on the retiring directors proposed for reappointment
 3. Definition and information of the independent directors to present as proxy
 4. The Company's Articles of Association in relation to the shareholders' meeting
 5. Procedures for attending the Annual General Meeting of Shareholders
 6. Procedures for sending any query in advance
 7. Map of the Meeting venue
 8. Proxy Form B
 9. Guidelines for 2020 Annual General Meeting of Shareholders under situation of Coronavirus Disease 2019 ("COVID-19") pandemic

Notice is hereby given by the Board of Directors ("the Board") of AIRA Factoring Public Company Limited ("the Company") that the 2020 Annual General Meeting of Shareholders ("the Meeting") shall be held on Thursday 8 October 2020 at 10.00 hrs. at Mandarin A Room, 1st Floor, Mandarin Hotel, Rama 4 Road, Bang Rak District, Bangkok 10500. The Map is shown as Attachment 7. The items for discussion are as follows:

Agenda 1: To acknowledge the Company's operating result for the year 2019

Fact and Reason:

The Company has summarized the operating results for 2019 along with the significant changes that occurred during the year in the Annual Report for 2019. Please refer to details in the Annual Report for 2019 together with the Management's Discussion and Analysis of Financial and Operation in Attachment 1 hereto.

The Board's Opinion:

The Board has recommended the report on the Company's operating results for 2019 along with the significant changes that occurred during the year, it would be proposed to the Meeting.

Resolution:

This agenda is only for the acknowledgement of the Shareholders; therefore, voting is not required.

Agenda 2: To consider and approve the Financial Statements for the fiscal year ended on 31 December 2019

Fact and Reason:

According to Section 112 of the Public Limited Companies Act B.E. 2535 and Article 40 of the Articles of Association, the Company shall prepare a statement of financial position (balance sheet) and income

statement for the fiscal year ended on 31 December 2019. The Audit Committee and the Board of Directors have considered and reviewed the Financial Statements for the fiscal year 2019 which audited by a certified auditor, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, as shown in the Annual Report in the Financial Statements as Attachment 1 hereto. A summary of the Company's significant financial statements as at 2019 and 2018 as follows:

(Unit: Thousand Baht)

Details	2019	2018	Changing	
			Increased (Decreased)	%
Total assets	2,556,465	2,502,619	53,846	2.15
Total liabilities	2,028,086	1,976,399	51,687	2.62
Total shareholders' equity	528,379	526,220	2,159	0.41
Total revenues	230,606	230,830	(224)	-0.10
Profit for the year	42,159	48,922	(6,763)	-13.82
Total comprehensive income for the year	42,159	48,922	(6,763)	-13.82
Earnings per share (Baht / Share)	0.0263	0.0306	(0.0043)	-14.05

The Board's Opinion:

The Board has recommended the Meeting to approve the Financial Statements for the fiscal year ended on 31 December 2019 which has considered and has agreed by the Audit Committee.

Resolution:

The resolution for this agenda requires the majority votes of the Shareholders who have attended the Meeting and cast their votes.

Agenda 3: To consider and approve the appropriation of net profit as statutory reserve and omitted dividend payment

Fact and Reason:

According to Section 116 of the Public Limited Companies Act B.E. 2535 and Article 43 of the Articles of Association states that a statutory reserve is required of at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital.

In 2019, the Company has a net profit of Baht 42.16 million. Therefore, the Company had to allocate for the statutory reserve by laws at least 5% of net profits amounting Baht 2.14 million.

In addition, the Company has adopted a policy to pay dividend to shareholders of at least 50% of net profit after deduction of all provisions. Dividend payments will be subject to change, depending on cash flow and investment plan as well as other future requirements of the Company. Such dividend payments shall not exceed the retained earnings of the Company nor adversely affect the Company ongoing operations.

For the year ended on 31 December 2019, the Company has a net profit of Baht 42.16 million. During year 2019 the Company paid the interim dividend payment for 9 months operation results from net profit at Baht 28.00 million in the rate of Baht 0.0175 or 66.41% of net profit and retained earnings at Baht 12.00 million in the rate of Baht 0.0075, totaling of Baht 40.00 million which is in according to the dividend payment policy. Therefore, the Board has recommended the Meeting to approve the omitted dividend payment from the 2019 performance.

Details of dividend payment in 2019 and 2018 as follows:

Details	2019 (Proposed)	2018
Net Profit Attribute to owners of the company (Million Baht)	42.16	48.92
Total Dividend (Baht / Share)	0.025	0.03
- Interim dividend payment (Baht per Share)	0.025	0.03
- Net profit	0.0175	0.02
- Retained earnings	0.0075	0.01
- Annual dividend payment (Baht per Share)	-	-
Total number of shares (Shares)	1,600.00	1,600.00
Total Dividend amount (Million Baht)	40.00	48.00

The Board's Opinion:

The Board has recommended the Meeting to approve the allocation for the statutory reserve by laws of net profit and omitted dividend payment for the 2019 performance as follows:

1. To allocate for the statutory reserve by laws at least 5% of net profits amounting Baht 2.14 million.
2. To omit dividend payment due to the Company paid the interim dividend payment for 9 months operation results totaling of Baht 40.00 million in the rate of Baht 0.025 per share from net profit at Baht 28.00 million in the rate of Baht 0.0175 or 66.41% of net profit which is in according to the dividend payment policy.

Resolution:

The resolution for this agenda requires the majority votes of the Shareholders who have attended the Meeting and cast their votes.

Agenda 4: To consider and approve the appointment of the Company's auditors and their remuneration for 2020

Fact and Reason:

According to Section 120 of the Public Limited Company Act B.E. 2535 and the Articles of Association of the Company No. 37 (5), the Annual General Meeting of Shareholders appoints the auditors and fixes the auditing fee annually.

The Board's Opinion:

The Audit Committee and the Board of Directors have considered quality, services, independence in operation, number of auditors and sufficient to provide services including the appropriate of auditor remuneration.

The both of those Boards greed to appoint auditors from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited who had the qualifications as prescribed by the Securities and Exchange Commission to be the Company's auditor year 2020, named as follows:

Auditor's name	CPA registration no.	Number of years certified on the Company's financial statements
1. Mr. Wonlop Vilailvaravit	6797	2018 - 2019 (2 years)
2. Mr. Chavala Tienpasertkij	4301	-
3. Mr. Yongyuth Lertsurapibul	6770	-
4. Mrs. Nisakorn Songmanee	5035	-

Any of the above auditors can conduct the audit and express an opinion on the Company's financial statements. In the event that none of these auditors are available, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited is authorized to delegate another one of its certified public accountants to conduct the audit. For 2020, the proposed auditing fee is as follows:

(Unit: Baht)

Audit Fee	2020 (Proposed)	2019	Changing	
			Increase (Decrease)	%
Audit fee	1,010,000	930,000	80,000	8.60
Others fee	None	None	-	-
Total	1,010,000	930,000	80,000	8.60

In addition, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited and the proposed auditors are independent and have no conflict of interest with the Company, the management, the major shareholders or any related persons.

Resolution:

The resolution for this agenda requires the majority votes of the Shareholders who have attended the Meeting and cast their votes.

Agenda 5: To consider and approve the appointment of the directors to replace those directors who are retiring by rotation in 2020

Fact and Reason:

According to Section 71 of the Public Limited Company ACT B.E. 2535 and Article 18 of the Company's Articles of Association, one-third of the directors must retire from office at each shareholder's general meeting. The directors whom have previously retired may be re-elected to resume their office.

In 2020, there are 3 directors who retired by rotation as follows:

- 1) Mr. Kunakorn Makchaidee Independent Director and Chairman of Audit Committee
- 2) Mrs. Yajai Pattanasukwasun Independent Director, Audit Committee and
Chairman of Nomination and Remuneration Committee
- 3) Admiral Navapol Damrongpong Independent Director

The information of above director nomination can be found in Attachment 2.

For the 2020 AGM, the Company has announced the shareholders' opportunity to propose nominee for director during 1 October 2019 - 31 December 2019 thru the Company's Website. However, there were no shareholders who had proposed a qualified nominee to be elected as the Company's director.

The Board's Opinion:

The Board of Directors, who have not a conflict of interest in this agenda, has considered by carefully with the Nomination and Remuneration Committee and resolved to propose the Meeting to approve the re-elected of 3 directors for another term. The Board has agreed that mention directors have the full qualifications required by the Public Limited Companies Act B.E. 2535 and relevant regulations of the Capital Market Supervisory Board. For the independent director, the Board has considered that the qualifications, skills, knowledge, capabilities and experience that are useful to the company including qualifications according to the definition of an independent director. The independent director can give opinions independently and in accordance with relevant principal.

Resolution:

The resolution for this agenda requires the majority votes of the Shareholders who have attended the Meeting and cast their votes.

Agenda 6: To consider and approve the remuneration of the Directors for the year 2020 and Directors' Bonus

Fact and Reason:

According to Section 90 of the Public Limited Company Act B.E. 2535 and the Article 23 of the Company's Articles of Association, requires that the directors are entitled to remuneration with approval by the shareholders.

The Nomination and Remuneration Committee Opinion shall 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 remuneration is consisting of 2 type; Meeting fee and Bonus. The details of the scope and responsibility of Directors of the Board and sub-committees are shown in Attachment 1 under Corporate Governance.

The Board's Opinion:

The Nomination and Remuneration Committee and the Board of Directors have recommended this issue to be proposed to the Meeting for the approval of the Directors' remuneration for 2020 in the form of meeting fee and bonus to the Board of Directors and sub-committee as follows:

● The Directors' meeting fee

Details		2020 (Proposed)	2019	Note
1.	The Directors' remuneration			
	The Board of Directors			
	- Chairman of the Board of Directors	25,000	25,000	The remuneration of Executive Director shall be reduced by half.
	- Member of the Board of Directors	15,000	15,000	
	The Audit Committee			
	- Chairman of the Audit Committee	25,000	25,000	-
	- Member of the Audit Committee	15,000	15,000	
	The Nomination and Remuneration Committee			
	- Chairman of the Nomination and Remuneration Committee	15,000	15,000	The remuneration of Executive Director shall be reduced by half.
	- Member of the Nomination and Remuneration Committee	10,000	10,000	
	The Executive Committee			
	- Chairman of the Executive Committee	15,000	15,000	Executive Director shall be not received remuneration.
	- Member of the Executive Committee	10,000	10,000	
	The Credit Committee			
	- Chairman of the Credit Committee	15,000	15,000	Executive Director shall be not received remuneration.
	- Member of the Credit Committee	10,000	10,000	
2.	Other benefits	None	None	

● The Directors' bonus

The Board has agreed to propose the Meeting to consider the directors' bonus for the operating result 2019 in the amount of not exceeding Baht 1.25 million according to the approval of the 2019 Annual General Meeting of Shareholders. The Nomination and Remuneration Committee and the Board of Directors have considered the directors' bonus according to the operating result of 2019. The details are as follows:

Details	The directors' bonus for the operating result 2019	The directors' bonus for the operating result 2018	Note
Approved amount	Baht 1.25 million	Baht 1.25 million	No change
Payment actual amount	Baht 1.05 million	Baht 1.20 million	Decrease 19.35%

Resolution:

The resolution for this agenda requires the vote of not less than two-thirds of the Shareholders who have attended the Meeting.

Agenda 7: To consider and approve the amendment of the Company's Articles of Association

Fact and Reason:

According to the announcement and ordered for 2 issued by the National Council for Peace and Order related to Public Limited Companies Act as follows:

1. Announcement of the National Council for Peace and Order No. 74/2014 Subject: Teleconference through Electronic Devices which is significant regarding to allow the Board of Directors to hold a meeting via electronic media. The quorum requirements and the number of committee members are in the details specified in the Department of Business Development's announcement regarding the meeting through electronic media of partnership registration, company limited, public limited, trade association and chamber of commerce, and,

2. Order of the Head of the National Council for Peace and Order 21/2017 Subject: Amending the Law to Facilitate Business Operations which is amendment to Section 100 of the Public Limited Company Act, B.E. 1992.

Pursuant to Announcement of emergency decree on electronic meeting dated on 19 April 2020 which amends some conditions and the Announcement of the National Council for Peace and Order No. 74/2557 shall be repealed.

The Board of Directors has recommended the Meeting to approve the amendment of the Company's Articles of Association item 25, 26 and 32 according to the above mention as follows:

Item	Existing Provision	Proposed Amendment
25	<p>The board of directors' meeting shall consist of not less than one-half (1/2) of total of directors present at the meeting to constitute the quorum. The chairman shall preside over the meeting. If at any time the chairman is absent or is unable to perform the duty and there is vice-chairman, the vice-chairman shall act as chairman of the meeting. If there is no vice-chairman or is unable to perform the duty, the meeting shall elect one of the directors presented at the meeting to act as chairman of the meeting.</p> <p>All resolutions of the board of directors' meeting shall be passed by the affirmative vote of a majority of the directors. One director shall have one vote but any director who has the interest in any matter shall have no right to vote for such matter. In case of an equality of votes, the chairman has a casting vote.</p>	<p>The board of directors' meeting <u>which was the self-meeting or the meeting held through electronic media</u> shall consist of not less than one-half (1/2) of total of directors present at the meeting to constitute the quorum. The chairman shall preside over the meeting. If at any time the chairman is absent or is unable to perform the duty and there is vice-chairman, the vice-chairman shall act as chairman of the meeting. If there is no vice-chairman or is unable to perform the duty, the meeting shall elect one of the directors presented at the meeting to act as chairman of the meeting.</p> <p><u>The person presiding over the meeting may determine that the meeting be organised through electronic means. Such electronic meeting shall have the same effect as a meeting held in accordance with the procedures provided by the law. In the case of a meeting via electronic media, the attending directors shall not reside in the Kingdom and shall not present at</u></p>

Item	Existing Provision	Proposed Amendment
		<p><u>the same place of the meeting. The electronic meeting shall be held in compliance with the standards for maintenance of security for electronic meetings prescribed by the Ministry of Digital Economy and Society and be arranged to make an audio record or an audiovisual record, as the case may be, of every attendee throughout the period of the meeting in the form of electronic data, except for a confidential meeting which all directors enable to cast votes, including be retained electronic traffic data of every attendee as evidence via recording in meeting control system or other systems which compliance with related law.</u></p> <p>All resolutions of the board of directors' meeting shall be passed by the affirmative vote of a majority of the directors. One director shall have one vote but any director who has the interest in any matter shall have no right to vote for such matter. In case of an equality of votes, the chairman has a casting vote.</p>
26	<p>In calling a meeting of the Board of Directors, the Chairman of the Board or the person assigned by the Chairman of the Board shall serve written notice calling for such meeting to the directors not less than seven (7) days prior to the date of the meeting. Where it is necessary or urgent to preserve the rights or benefits of the Company, the meeting may be called by other methods and an earlier meeting date may be chosen.</p>	<p>In calling a meeting of the Board of Directors <u>whether the self-meeting or the meeting held through electronic media</u>, the Chairman of the Board or the person assigned by the Chairman of the Board shall serve written notice calling for such meeting to the directors not less than seven (7) days prior to the date of the meeting. Where it is necessary or urgent to preserve the rights or benefits of the Company, the meeting may be called by other methods and an earlier meeting date may be chosen. <u>However, if the meeting is held through electronic media, the Company is able to send a notice summoning the meeting through electronic mail.</u></p>
32	<p>The board of directors shall convene an annual ordinary meeting of shareholders within four (4) months from the date of fiscal year end of the Company.</p> <p>All other general meetings are called extraordinary meetings. The directors may</p>	<p>The board of directors shall convene an annual ordinary meeting of shareholders within four (4) months from the date of fiscal year end of the Company.</p> <p>All other general meetings are called extraordinary meetings. The directors may summon extraordinary meetings whenever they think fit.</p>

Item	Existing Provision	Proposed Amendment
	<p>summon extraordinary meetings whenever they think fit.</p> <p>The shareholders holding an aggregate number of shares not less than one-fifth (1/5) of the total number of shares of the Company, or shareholders in a number not less than twenty-five (25) holding an aggregate number of shares of not less than one-tenth (1 / 1 0) of the total number of shares of the Company may make a request in writing to the board of directors to summon a shareholders' meeting as an extraordinary meeting by stating the reason for calling the meeting. In such a case, the Board of Directors must convene a shareholders' meeting within one (1) month from the date of receipt of such request.</p>	<p><u>One or more shareholders holding an aggregate number of shares not less than ten (10) percent of the total shares sold may make a request in writing to the board of directors to summon a shareholders' meeting as an extraordinary meeting by stating the reason for calling the meeting. In such a case, the Board of Directors must convene a shareholders' meeting within forty-five (45) days from the date of receipt of such request.</u></p> <p><u>In case where the Board of Directors does not arrange for the meeting to be held within the period specified in the third paragraph, the shareholders signing the request or any other shareholders holding an aggregate number of shares as prescribed may be called the by themselves within forty-five (45) days from the end of the period specified in the third paragraph. In such case, the meeting shall be considered as duly called by the Board of Directors, and the Company shall bear the necessary expenses incurred from the arrangement for such meeting and shall facilitating the said arrangement as appropriate.</u></p> <p><u>Where it appears that, at any meeting of shareholders called by the shareholders in accordance with the fourth paragraph, the number of shareholders attending the meeting is not sufficient to constitute a quorum as prescribed in Article 34, those shareholders under fourth paragraph shall jointly reimburse the Company for all the expenses incurred from the arrangement for such meeting.</u></p>

The Board's Opinion:

The Board have recommended this issue to be proposed to the Meeting for the approval of the amendment of the Company's Articles of Association as the above details.

Resolution:

The resolution for this agenda requires the vote of not less than three-fourth of the Shareholders who have attended the Meeting and cast their votes.

Agenda 8: Other matters (if any)

The Board of Directors has determined the Record date to identify shareholders that are eligible to attend the meeting would be on 25 August 2020.

The Board of Directors would like to invite all shareholders to attend the 2020 Annual General Meeting of Shareholders on Thursday, 8 October 2020 at 10.00 hrs. at Mandarin A Room, 1st Floor, Mandarin Hotel, Rama IV Road, Bang Rak District, Bangkok. The registration will be opened at 9.00 a.m. onward.

Any shareholder who wishes to appoint a proxy to attend the Meeting and vote on his or her behalf must complete only one proxy, please use the Proxy Form B as shown in Attachment 8 together with the documents or evidence for attending the Meeting as shown in Attachment 5 or download the proxy form from the Company's website: www.airafactoring.co.th.

Any shareholder who is unable to attend the shareholders' meeting can authorize one of the Company's independent directors; Mr. Sorasit Soontornkes or Mr. Poonsak Thiapairat, to attend and vote on his or her behalf. Details of Independent Directors can be found in Attachment 3. The Company requests the shareholders' proxy be mailed to the Company's address as below within 28 September 2020:

Company Secretary, AIRA Factoring Public Company Limited,
319 Chamchuri Square, 17th Floor, Phayathai Road,
Pathumwan Sub-District, Pathumwan District, Bangkok 10330

Under situation of Coronavirus Disease 2019 ("COVID-19") pandemic, the Company would like to ask cooperation that all shareholders, even those who are not in a risk group, to appoint the independent director of the company to attend the meeting on their behalf by using the Proxy Form B as above details. Even if any shareholders would like to attend the meeting in person, please follow Guidelines for 2020 Annual General Meeting of Shareholders under situation of Coronavirus Disease 2019 ("COVID-19") pandemic as shown in Attachment 9.

Hence, you are invited to attend the Annual General Meeting of AIRA Factoring Public Company Limited as the date, time, and place mentioned previously.

Sincerely yours,

AIRA Factoring Public Company Limited



(Mr. Akawit Sooksai)

Director and Chief Executive Officer