

**(Translation)**

AIRA 004/2018

1 March 2018

Subject: Invitation to the 2018 Annual General Meeting of Shareholders

To: Shareholders of AIRA Factoring Public Company Limited

Enclosures: 1. Copy of the minutes of the Annual General Meeting of Shareholders 2017

2. Annual report for the year 2017 (CD-ROM)

3. The appointment of the Company's external auditors and fix their remuneration

4. Preliminary information on the retiring directors proposed for reappointment

5. Proxy Form B.

6. Definition and information of the independent directors to present as proxy

7. The Company's Articles of Association in relation to the Annual General Meeting of Shareholders

8. Procedures for attending the Annual General Meeting of Shareholders

9. Procedures for sending any query in advance

10. Map of the Meeting venue

Notice is hereby given by the Board of Directors (“the Board”) of AIRA Factoring Public Company Limited (“the Company”) that the 2018 Annual General Meeting of Shareholders (“the Meeting”) shall be held on Friday the 20 April 2018 at 10.00 hours (registration opens at 8.30 hours) at Mandarin Room A, 1<sup>st</sup> Floor, Mandarin Hotel, Rama 4 Road, Bangrak, Bangkok. The items for discussion are as follows:

**Agenda No. 1: To consider and certify the minutes of the Annual General Meeting of Shareholders 2017.**

Fact and Reason: The Annual General Meeting of Shareholders 2017 held on April 21, 2017 and the minutes was considered to be complied with the Resolutions of Meeting by the Board of Directors and submitted to the Stock Exchange of Thailand within 14 days from the meeting date as per the regulations. The details were publicly disclosed on the Company’s Website ([www.airafactoring.co.th](http://www.airafactoring.co.th)) to inform the Shareholders about the Minutes of Meeting for verification it within reasonable time and no any objections or alterations. Please refer to the copy of the Minutes in Attachment 1 hereto. Thus, requesting the Annual General Meeting of Shareholders consider and certify the Minutes.

Board’s Opinion: The Board has recommended that the Minutes of the Annual General Meeting of Shareholders 2017 held on April 21, 2017 would be proposed for certification by the AGM Meeting.

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

**Agenda No. 2: To acknowledge the Company’s operating result for 2017.**

Fact and Reason: The Company has summarized the operating results for 2017 along with the significant changes that occurred during the year in the Annual Report for 2017.

Board’s Opinion: The Board has recommended the report on the Company’s operating results for 2017 along with the significant changes that occurred during the year which were considered the completeness and adequacy of information by the Board of Directors, it would be proposed to the Meeting. Please refer to details in the Annual Report for 2017 (Attachment 2) together with the Management’s Discussion and Analysis of Financial and Operation hereto.

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

**Agenda No. 3: To approve the Financial Statements for the fiscal year ended December 31, 2017.**

Fact and Reason: The Company prepared a statement of financial position (balance sheet) and income statement for the fiscal year ended December 31, 2017 as shown in the Annual Report (Attachment 2). The Annual Report was audited by a certified auditor. The Board of Directors and the Audit Committee have considered and agreed on the completeness, correctness, and adequacy according to the Generally Accepted Financial Reporting Standard Principles. Thus, a proposition the Meeting for the approval of the Financial Statements for the fiscal year ended December 31, 2017 according to Section 112 of the Public Limited Companies Act B.E. 2535 is required.

**Audit Committee's Opinion:** The Audit Committee has considered and reviewed the Financial Statements for the fiscal year ended December 31, 2017 as detailed in the Annual Report on the part of Financial Position and Operating Results in which the external auditor, Mr. Chayapol Supasethanon CPA No. 3972 of EY Office Limited (formally known as "Ernst & Young Office Limited"), has audited and the Audit Committee has agreed to the Board of Directors for presentation the AGM to approve the Financial Statements for the fiscal year ended December 31, 2017.

**Board's Opinion:** The Board has recommended the Company's the Financial Statements for the fiscal year ended December 31, 2016, which have been reviewed and accepted by the Audit Committee, be presented to the AGM for approval. A summary of the Company's significant financial position and operating results is shown in the table below

**Selected Information from the Company's Financial Statements**

Unit: Thousand Baht

Description	2017	2016	Increased (decreased)	Percentage
Total assets	2,779,878	2,244,637	535,241	23.84%
Total liabilities	2,234,580	1,705,174	529,406	31.04%
Total shareholders' equity	545,297	539,463	5,834	1.09%
Total revenue	220,959	189,589	31,340	16.53%
Profit for the year	53,270	50,765	2,505	4.94%
Total comprehensive income for the year	57,035	52,505	4,530	8.63%
Earnings per share (Baht / Share)	0.0333	0.0317	0.0016	5.04%

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

**Agenda No. 4: To consider and approve the appropriation of profit as the statutory reserve and dividend payment.**

**Fact and Reason:** According to Section 115 of the Public Limited Companies Act B.E. 2535 (1992) and Article 42 of the Articles of Association, the Company shall only pay Dividend from the profit. Moreover, Section 116 of the Public Limited Companies Act B.E. 2535 (1992) 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.

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 December 31, 2017, the Company has a net profit of Baht 53.27 million. Therefore, the Board of Directors recommended to the Meeting for consideration and approval the dividend from net profit. It will be paid to the shareholders who have names on the Company's Registration Book as at March 9, 2018 or the Record Date. The dividend will be paid at Baht 0.0345 per share, totaling of Baht 55.20 million. During year 2017, the Company announced the interim dividend payment at Baht 0.022 per share, totaling of Baht 35.20 million, to be paid on January 12, 2018. Therefore, the remaining dividend payment is at Baht 0.0125 per share, totaling of Baht 20.0 million. The dividend will be paid to the shareholders on May 17, 2018.

The shareholders can consider details of the dividend policy and dividend payment information from the Annual Report (Attachment 2) on the part of the dividend payment policy.

Therefore, the dividend right on the same date of the closed registration book and right to attend the meeting remain uncertainty which subject to the approval from the Annual General Meeting of Shareholders.

Details of Dividend Payment

Unit: Baht Million

Details of Dividend Payment	2017 (Proposed year)	2016
1. Net Profit Attribute to owners of the company (Baht)	53.27	50.76
2. Total Dividend (Baht / Share)	0.0345	0.023
2.1 Interim dividend payment (Baht per Share)	0.022	0.013
2.2 Annual dividend payment (Baht per Share)	0.0125	0.010
3. Total number of shares (Share)	1,600.00	1,600.00
4. Total Dividend amount (Baht)	55.20	36.80

Moreover, relating to Section 116 of the Public Limited Companies Act B.E. 2535 (1992) 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 2017, the Company had Net Profit of Baht 53.27 million in which at least 5% of Net Profit shall be allocated to statutory reserve, amounting to Baht 2.70 million.

**Board's Opinion:** The Board has recommended the Meeting to approve the appropriation of net profit and dividend payment 2017 as follows:

1. To allocate for the statutory reserve by laws and the Company's Articles of Association of at least 5 % of net profits amounting Baht 2.7 million.

2. To approve the dividend payment from the Company's net profit at Baht 0.0345 per share, amounting to Baht 55.20 million. During year 2017, the Company paid the interim dividend payment at Baht 0.022 per share, totaling of Baht 35.20 million. Therefore, the remaining dividend payment is at Baht 0.0125 per share, totaling of Baht 20.0 million.

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

**Agenda No. 5: To approve the appointment of the Company's external auditors and fix their remuneration for 2018.**

Fact and Reason: In accordance with the Public Limited Company Act BE 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.

Audit Committee's Opinion: The Audit Committee has considered the appointment of four auditors and has set the audit fee for the year 2018 and has proposed to the Board of Directors for consideration. The shareholders appointed Wanlop Vilailvorawit or Chawala Tienprasertkit or Dr. Suwajachai Makha-amnuaychai or Mrs. Nisakorn Songmanee of Deloitte Touche Tohmatsu Jaiyos audit Co., Ltd. to be the test takers. The Company's audited financial statements for the year ended December 31, 2018 Qualifications as prescribed by the Securities and Exchange Commission. The remuneration of the Company's auditor for the year 2018 is Baht 900,000. (Attachment no. 3) Title of the Annual General Meeting of Shareholders for the year 2018

Board's Opinion: The Board of Directors considered and agreed to appoint auditors from Deloitte touche tohmatsu jaiyos audit co. ltd. to be the Company's auditor year 2018, named as follows:

- 1) Mr. Wanlop Vilailvorawit CPA Registration No.6797 or
- 2) Mr. Chawala Tienprasertkit CPA Registration No.4301 or
- 3) Dr. Suwajachai Makha-amnuaychai CPA Registration No.6638 or
- 4) Mrs. Nisakorn Songmanee CPA Registration No.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 co. ltd. is authorized to delegate another one of its certified public accountants to conduct the audit.

For 2018, the proposed auditing fee is Baht 900,000 is equal from 2017, excluding other services (non audit fees.) The Board proposes this matter to the Annual General Meeting of Shareholder for approval. In addition, Deloitte touche tohmatsu jaiyos audit co. ltd. 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 No. 6: To approve the remuneration of the Company's Directors and Bonus for 2018**

Fact and Reason: According to 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: The Nomination and Remuneration Committee proposes for the remuneration to be in the form of allowances. The Nomination and Remuneration Committee has considered and agreed that the compensation is reasonable and comparable to the capital markets industry. Thus, the Nomination and Remuneration Committee has recommended the remuneration of the directors for 2018 to be 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 Non-Executive Director receive 15,000 Baht / time
  - 1.3 The Director from Company's Management receive 7,500 Baht / time<sup>1</sup>
2. The remuneration of the Executive Committee shall pay to the director who attend meeting with the rate as follow
  - 2.1 The Chairman of the Executive Committee receive 15,000 Baht / time
  - 2.2 The member of the Executive Committee receive 10,000 Baht / time<sup>2</sup>
3. The remuneration of the Audit Committee shall pay to the director who attend meeting with the rate as follow
  - 3.1 The Chairman of the Audit Committee receive 25,000 Baht / time
  - 3.2 The Member of the Audit Committee 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
  - 4.1 The Chairman of the Nomination Committee receive 15,000 Baht / time
  - 4.2 The Member of the Nomination Committee receive 10,000 Baht / time
5. The Credit Committee shall pay to the director who attend meeting with the rate as follow
  - 5.1 The Chairman of the Credit Committee receive 15,000 Baht / time
  - 5.2 The Member of the Credit Committee receive 10,000 Baht / time<sup>3</sup>

**Remark** 1. In case the Chairman and Director of the Board or sub-committees are part of the Management of the Company, the remuneration shall be reduced by half of the remuneration paid to the Chairman and Director who are Non-Executive Director.

2. In case a member of the Company's management is part of the Executive Committee, he/she will not receive remuneration as they are already regarded as a member of Company's management.

3. In case a member of the Company's management is part of the Credit Committee, he/she will not receive remuneration as they are already regarded as a member of Company's management.

In this regard, the Company has shown satisfaction of performance in year 2017, net profit Baht 53.27 million. Therefore, the Director's bonus proposes to be paid of Baht 1.50 million from the operating result 2017.

Detail of the remuneration of directors approved by the company's shareholders as follows:

(Unit: Baht Million)

Year	Remuneration committee	Director's bonus
2017	2,400	1,125
2016	2,445	-

The details of the authority and responsibility of Directors of the Board and sub-committees are shown in Annual Report (Attachment 2) under Remuneration of Directors in which is attached to the Invitation Letter to the AGM.

Board's Opinion: The Board has agreed with the Nomination and Remuneration Committee and recommended this issue to be proposed to the Meeting for the approval of the Directors' remuneration for 2018.

Resolution: The resolution for this agenda requires the majority votes at two-third of the Shareholders who have attended the Meeting and cast their votes.

**Agenda No. 7: To approve the appointment of directors to replace those who will retire by rotation in 2018.**

Fact and Reason: According to Section 68 of the Public Limited Company ACT B.E. 2535 (as well as all alterations) 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.

This year, there are three directors (No. 1 -3) who must be retired by rotation as follow;

No.	Name of the directors	Position
1.	Mrs. Tongurai Limpiti	Chairman and Independent Director
2.	Mrs. Ladavan Tanatanit	Director, Chairman of Executives Committee
3.	Mr. Visit Vongramlarp	Director and Chairman of Credit Committee

For the AGM'2018, the Company has opened the shareholders to propose nominee for director post between November 11, 2017 – January 31, 2018 thru the Company's Website. However, there were no shareholders who had proposed a qualified nominee to be elected as the Company's director.

Nomination and Remuneration Committee Opinion: The Nomination and Remuneration Committee has considered the guidelines and procedures for director nomination which can be found in the Annual Report (Attachment 2) under Management Structure to nominate directors by considering the Management Structure of the Company and different qualifications of the nominees. The Nomination and Remuneration Committee has considered and see fit that the 3 nominees are qualified in the aspect of education, knowledge, ability, experienced in different fields, and a person with mortality and ethics as well as their individual performance as Director of the Board and sub-committees in order to propose to the Board which will then recommend the issue of reappointing the 3 nominees to resume the directorship for another period.

The details of the age, number of shares held, education background, work experience, and the attendance of the directors can be seen in the attached documents (Attachment 3).

Board's Opinion: The Board, with the exception of the directors with special interests on this agenda, has agreed with The Nomination and Remuneration Committee and proposed that the Meeting approve the reappointment for another term of office of 3 directors.

The directors who are proposed for reappointment having all the requirements stipulated in the Public Limited Companies Act B.E. 2535 and relevant regulations of the Capital Market Supervisory Board.

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

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

**Fact and Reason:** 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.

The Record Date will be on March 9, 2018. All shareholders are invited to attend the Annual General Meeting of Shareholders for 2018 on Friday April 20, 2018 at 10.00 hours at Mandarin Room A, 1<sup>st</sup> Floor, Mandarin Hotel, Rama 4 Road, Bangrak, Bangkok. The registration will open at 8.30 hours.

Any shareholder who wishes to appoint a proxy to attend the Meeting and vote on his or her behalf must complete only one proxy (Proxy Form B can be found in Attachment 5); or can download the proxy form from the Company's Website: [www.airafactoring.co.th](http://www.airafactoring.co.th).

Any shareholder who is unable to attend the shareholders' meeting can authorize one of the Company's independent directors, Mr. Kunakorn Makjaidee or Mr. Poonsak Thiapairat , only one or the other, to attend and vote on his or her behalf. Details of Independent Directors can be found in Attachment 6.The Company requests the shareholders' proxy be mailed to the address below and be received by the Company by April 9, 2018:

Company Secretary Office, Aira Factoring Plc.,  
319 Chamchuri Square , 20 Floor,  
Phayathai Road Pathumwan Sub-District,  
Pathumwan District, Bangkok 10330

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. Kanokkit Navasiri)

Managing Director