



Annual Registration Statement / Annual Report

Form 56-1 One Report

(e-One Report)

AIRA Factoring Pcl.

Fiscal Year End 31 December 2024



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Part 1 Business Operations and Performance

1. Group Structure and Operations

1.1 Policy and business overview

1.1.1 Overview of the vision, objectives, goals and business strategies

Message from the chairman

Dear Shareholders, Investors, and Stakeholders,

Over the past year, AIRA Factoring Public Company Limited has remained committed to conducting its lending business responsibly towards the environment, society, and governance (ESG). We have loan projects that support environmentally responsible entrepreneurs, such as clean energy businesses and businesses that promote sustainability, to be a part of creating a better future for the world.

The Company recognizes the importance of adapting to the future financial system according to the Bank of Thailand's roadmap on the "New Financial Landscape," which emphasizes Open Data to create a transparent and interconnected financial ecosystem. We have begun preparing our systems to support data connectivity with business partners and alliances in the future, with the goal of developing operations to be timely and in line with the direction of the financial industry.

Furthermore, the Company places importance on greenhouse gas reduction targets by supporting businesses that help reduce environmental impact. This aligns with Thailand's Net Zero Emissions policy, which aims to achieve its goals by 2065, and the European Union's approach driven by the Zero-Based Adjustment Mechanism (ZBAM), which is part of the Green Deal policy that sets clear targets for reducing global warming and maintaining the balance of the world's resources.

The Company also recognizes the importance of assisting Small and Medium Enterprises (SMEs), which are a vital cog in the Thai economy. We focus on increasing access to funding for this group of entrepreneurs through loan products that meet specific needs, along with providing advice and support in financial management. This is to enhance the potential and competitiveness of SMEs in the long term. The Company affirms its commitment to conducting business responsibly by considering sustainability in all dimensions, including economic development, environmental care, and building social trust. This fosters long-term stability and sustainability for all sectors.

On behalf of the Board of Directors, I would like to thank you all for your continued support and confidence in our company.

Mr. Sorasit Suntornkes

Chairman of the Board of Directors, AIRA Factoring Public Company Limited

Vision

It is a leading non-bank financial institution that provides financial services to meet the needs of customers.

Objectives

Mission: Apply technology, develop innovations, and/or comprehensive financial services for customers under efficient business operations for sustainability that considers the environment, society, and good corporate governance according to the set goals.

Main objective in conducting business: Connecting values, building business partnerships, supporting easy financial accessibility with comprehensive financial innovations for sustainable growth together.

Goals

The company aims to be a leading non-bank financial service provider, specializing in a diverse range of business loan services. By applying digital technology and combining it with business expertise, the company strives to develop comprehensive financial products and services. These services are easily accessible, catering to the needs of customers at all levels.

Business strategies

The company is committed to developing business strategies to create sustainable growth and meet the needs of customers and stakeholders. Key strategies include:

1. Customer base expansion and product development

Expanding the customer base for loans in high-potential industries

The company focuses on increasing its customer base from growing and low-risk industries such as renewable energy, logistics, medical equipment, electronic components, and green industries to create stability and enhance business sustainability.

Expanding the customer base of the AFP (Accounts Receivable Financing Program) project

Developing loan services under the AFP project to support small and medium-sized enterprises (SMEs) to have liquidity and be able to grow effectively in the economic system.

Expanding the Green Loan customer base

Supporting environmentally friendly loan projects (Green Loan) to promote businesses that reduce environmental impact, such as clean energy and environmentally friendly businesses, by adhering to ESG principles.

2. Increase revenue from new revenue streams (Diversification)

Increasing the proportion of revenue from Non-Factoring

The company aims to increase revenue from Non-Factoring to grow to 30% of the loan portfolio within 5 years by developing new loan formats such as Exclusive PN and Supplier Chain Financing.

Increase Fee Based Income

Expanding fee-based income through the provision of financial and business advisory services to affiliated companies, along with introducing new customers in the business sector to create a strong network of cooperation.

3. Developing innovation and technology

Developing an e-Factoring system To provide comprehensive online services and reduce the use of documents

Driving Digital Transformation To support the changing technology, customer behavior, and trade debtors

Expanding Digital Marketing channels To respond to new generation customer groups, with a target of more than 50% of new customers coming from this channel by 2026.

4. Building partnerships with business partners

The company focuses on developing collaborations with partners in a variety of industries to develop new products and services that meet customer needs, including strengthening the Supply Chain network.

5. Maintaining the existing customer base and increasing satisfaction

The company places importance on maintaining its existing customer base by using its existing customer database to reduce credit risk and create customer satisfaction to recommend the company's services, which helps expand its new customer base and create long-term growth.

1.1.2 Material changes and developments

Details regarding material changes and developments

Year	Material changes and developments
2024	<p>Awards and Recognition</p> <ul style="list-style-type: none"> • 5-star rating (Excellent) for 5 consecutive years <p>The company has been rated 5 stars by the Thai Listed Companies Association (CGR) by the Thai Institute of Directors Association (IOD) for the 5th consecutive year (2563-2567).</p> <ul style="list-style-type: none"> • A perfect score of 100 in the Annual General Meeting <p>The company received a perfect score of 100, rated "Excellent" from the Thai Investors Association (TIA) in the Annual General Meeting (AGM) Checklist assessment, reflecting transparency, good governance practices, and full promotion of shareholder rights.</p>
2023	<p>Development and Success</p> <ul style="list-style-type: none"> • Renewal of Collective Action Coalition Against Corruption (CAC) Membership <p>The Company received the renewal of its membership in the Collective Action Coalition Against Corruption (CAC) for the first time, reaffirming its commitment to conducting business with transparency and in accordance with good governance principles.</p> <ul style="list-style-type: none"> • Awards and Recognition <p>The Company was awarded a 5-star rating (Excellent) in the Corporate Governance Report of Thai Listed Companies (CGR) by the Thai Institute of Directors Association (IOD) and received a score of 99, rated as "Excellent" from the Thai Investors Association (TIA) in the assessment of the quality of the Annual General Meeting of Shareholders.</p> <ul style="list-style-type: none"> • Relocation of business premises <p>The Company has relocated its business premises to Spring Tower, 12A Floor, Phayathai Road, to accommodate business growth and enhance operational efficiency. This new location is designed to facilitate operations and effectively meet the needs of customers and partners.</p>
2022	<p>Award of Pride</p> <ul style="list-style-type: none"> • 5-Star Rating (Excellent) <p>The Company has been awarded a 5-star rating in the Corporate Governance Report of Thai Listed Companies (CGR) by the Thai Institute of Directors Association (IOD).</p> <ul style="list-style-type: none"> • A perfect score of 100 points in the Annual General Meeting of Shareholders <p>The Company received a full score from the Thai Investors Association (TIA) in the assessment of the quality of the Annual General Meeting of Shareholders (AGM Checklist) at the "Excellent" level.</p>
2021	<p>Awards of Pride</p> <ul style="list-style-type: none"> • 5-Star Rating (Excellent) <p>The Company has been rated at the 5-star level from the Corporate Governance Report of Thai Listed Companies (CGR) project by the Thai Institute of Directors Association (IOD).</p> <ul style="list-style-type: none"> • Full Score of 100 Points in the Annual General Meeting of Shareholders <p>The Company received a full score from the Thai Investors Association (TIA) in the assessment of the quality of the Annual General Meeting of Shareholders (AGM Checklist).</p> <ul style="list-style-type: none"> • Being selected in the ESG Emerging group <p>The Company has been selected as a constituent of the ESG Emerging group in 2021 by Thaipat Institute, reflecting its commitment to sustainable business operations and social and environmental responsibility.</p>
2020	<p>Commitment to Good Governance and Transparency</p> <ul style="list-style-type: none"> • Collective Action Coalition Against Corruption (CAC) Membership

Year	Material changes and developments
2020	<p>The company has joined the Collective Action Coalition Against Corruption (CAC) to demonstrate its commitment to conducting business with integrity, transparency, and social responsibility.</p> <ul style="list-style-type: none"> • Awards and Recognition <p>The company has been awarded a 5-star rating (Excellent) in the Corporate Governance Report (CGR) project by the Thai Institute of Directors Association (IOD) and received a perfect score of 100 in the Annual General Meeting (AGM) Checklist assessment by the Thai Investors Association (TIA).</p> <ul style="list-style-type: none"> • Relocation <p>The company has relocated its office from Chamchuri Square Building, 20th floor to the 17th floor to enhance convenience and operational efficiency.</p>
2018	<p>Appointment of Key Executive Positions</p> <p>The Board of Directors Meeting No. 2/2018, held on May 14, 2018, passed a resolution to appoint Mr. Sornasit Suntornkasikarn Holds the position of Chairman of the Board of Directors and the Board of Directors Meeting No. 4/2018 on July 5, 2018, resolved to appoint Mr. Akkrawit Suksai To hold the position of Director and Chief Executive Officer to enhance management efficiency and drive the organization towards sustainable success.</p>
2016	<p>A reward of pride.</p> <p>The company received the 2016 Outstanding Innovative Organization Award from the Stock Exchange of Thailand, in collaboration with the National Innovation Agency, under the Innovation Capability Enhancement Project.</p>
2015	<p>Second Capital Increase</p> <p>The Extraordinary General Meeting of Shareholders No. 1/2015 approved the increase in registered capital from 200 million baht to 400 million baht by changing the par value of shares from 5 baht per share to 0.25 baht per share, resulting in an increase in the number of shares to 1,600 million shares. In addition, 800 million ordinary shares were issued for sale to existing shareholders at a ratio of 1 existing share to 1 new share, with a par value of 0.25 baht per share. This capital increase helps enhance liquidity and support business expansion, resulting in the company having a total paid-up registered capital of 400 million baht.</p>
2013	<p>Relocation</p> <p>The company has relocated its office from Olympia Thai Tower, Ratchadaphisek Road, to the 20th floor of Chamchuri Square Building, Phayathai Road, to enhance operational efficiency and accommodate business growth.</p>
2011	<p>Restructuring and the First Registered Capital Increase</p> <p>On February 25, 2011, major shareholder groups, including the Chirathivat family and Siam Commercial Bank Public Company Limited, sold 57.35% of their common shares to AIRA Capital Public Company Limited. This resulted in the company's official name change from "Thanamit Factoring Public Company Limited" to "AIRA Factoring Public Company Limited" on September 16, 2011. In the same month, the company increased its registered capital by 100 million baht by issuing 20 million additional common shares with a par value of 5 baht per share. These shares were offered to existing shareholders at a ratio of 1 existing share to 1 new share. The objective of this capital increase was to support business expansion and strengthen the company's financial liquidity.</p>
2004	<p>Listing as a Public Company</p> <p>AIRA Factoring Public Company Limited was registered as a public limited company on March 2, 2004, and listed on the Market for Alternative Investment (MAI) in August 2004. The company offered 4 million newly</p>

Year	Material changes and developments
2004	issued ordinary shares to the public, resulting in a total registered and paid-up capital of 100 million baht, divided into 20 million ordinary shares.
1997	Company Establishment AIRA Factoring Public Company Limited (formerly Thanamit Factoring Company Limited) commenced its factoring business on January 6, 1997, with an initial registered capital of 20 million baht. The company's establishment resulted from a collaboration among strong business partners, including Central Retail Corporation Limited, holding 50 percent of the shares, Siam Commercial Bank Public Company Limited, holding 38 percent, and other shareholders, holding 12 percent.

1.1.3 Spending of the raised fund to serve the objectives declared in the registration statement for securities offering

Is there an issuance of equity securities or debt securities? : No

1.1.4 The obligations to which the company has committed in the registration statement, including the compliance with such obligations or conditions in the following years

Are there any issued securities with obligations or conditions? : No

1.1.5 Company information

Company name : AIRA Factoring Pcl.
Symbol : AF
Address : 188 Spring Tower, 12th Floor, Room A, Phaya Thai Road, Thung Phaya Thai Subdistrict, Ratchathewi District
Province : Bangkok
Postcode : 10400
Business : Provides both short-term and long-term loans for businesses, including factoring loans (purchasing accounts receivable at a discount), loans for investment in fixed assets, and loans to enhance business liquidity
Registration number : 0107547000141
Telephone : 0-2657-6222
Facsimile number : 0-2657-6244, 0-2657-6245
Website : <http://www.airafactoring.co.th>
Email : ir_af@airafactoring.co.th
Total shares sold
Common stock : 1,600,000,000
Preferred stock : 0

Diagram of organization's logo



1.2 Nature of business

AIRA Factoring Public Company Limited is a financial service provider that focuses on enhancing liquidity for businesses of all levels. The Company's core business is **Factoring** or factoring, through the transfer of the right to claim payment for goods and services. In addition, the Company has a variety of financial products to meet the needs of entrepreneurs in all industries, including:

- **Factoring:** Factoring service to help increase liquidity and support cash management for businesses.
- **Short-term loans (Exclusive P/N):** Bill discounting service for businesses that need short-term working capital.
- **Term Loan:** Long-term loan services to support investment in major projects or business expansion.
- **Green Finance:** Loan services that support environmentally friendly projects such as renewable energy projects, energy conservation, and environmental technology development.

1.2.1 Revenue structure

The company's revenue structure comes from various sources, divided into 4 main categories:

1. Revenue from discounts received from the transfer of receivables

This revenue comes from interest received from the transfer of receivables in factoring transactions, which is the company's main source of revenue.

2. Revenue from fees and services

The company earns revenue from various fees incurred from credit line openings and purchase fees, which are generated from providing services to customers in various transactions related to lending.

3. Interest income from loans

This revenue comes from interest received from lending in other types of loans that are not factoring.

4. Other income

The company also has income from other sources such as interest income from bank deposits, profit from the sale of assets, and other miscellaneous income.

Revenue structure by product line or business group

	2022	2023	2024
Total revenue from operations (thousand baht)	226,497.00	241,170.00	255,214.00
Discount from Assignment of Receivables (thousand baht)	158,142.00	173,615.00	175,850.00
Fees and Services (thousand baht)	47,753.00	50,677.00	46,068.00
Interest income from debentures and long-term loans (thousand baht)	19,415.00	15,302.00	32,918.00
Other Income (thousand baht)	1,187.00	1,576.00	378.00
Total revenue from operations (%)	100.00%	100.00%	100.00%
Discount from Assignment of Receivables (%)	69.82%	71.99%	68.90%
Fees and Services (%)	21.08%	21.01%	18.05%
Interest income from debentures and long-term loans (%)	8.57%	6.34%	12.90%
Other Income (%)	0.52%	0.65%	0.15%

By geographical area or market

	2022	2023	2024
Total revenue (thousand baht)	226,497.00	241,170.00	255,214.00
Domestic (thousand baht)	226,497.00	241,170.00	255,214.00
International (thousand baht)	0.00	0.00	0.00
Total revenue (%)	100.00%	100.00%	100.00%
Domestic (%)	100.00%	100.00%	100.00%
International (%)	0.00%	0.00%	0.00%

Other income as specified in the financial statements

	2022	2023	2024
Total other income (thousand baht)	1,187.00	1,576.00	378.00
Other income from operations (thousand baht)	0.00	0.00	0.00
Other income not from operations (thousand baht)	1,187.00	1,576.00	378.00

1.2.2 Information on products and services

The Company's products focus on providing credit services that meet the needs of entrepreneurs in all business groups. They are divided into 3 main types: Factoring to enhance business liquidity, Exclusive P/N for short-term working capital, Term Loan for investment and business expansion, and Account Payable Financing Program for suppliers of the Company's partners. These products are designed to meet comprehensive financial needs.

Credit Assessment

The Company has a policy of considering credit limits by taking into account the quality of customers and comprehensive risk management within the framework of a clearly defined credit policy. For Exclusive P/N and Term Loans, the Company will focus primarily on the credit quality and debt service capacity of the customer.

For Factoring, the Company will consider the creditworthiness of both the customer and the trade debtor to assess the creditworthiness and debt service capacity of all parties involved.

• Client Credit Line

The maximum credit limit granted to each borrower, which can be reused as the debt burden decreases. The credit limit consideration takes into account key factors such as financial status, sales, credit terms, document quality, operating results, and debt service capability.

In addition, the Company uses a Credit Scoring system to help analyze risk and increase efficiency in the credit approval process. Single Lending Limit and Single Lending Group are also set to diversify risk in accordance with the policy.

• Customer Credit Line

The maximum credit limit that each trade debtor can use to discount receivables is determined by financial position, operating results, and payment history of debtors, which are mainly large businesses with financial stability.

Risk Management and Credit Policy

The Company has a risk management and credit approval policy that emphasizes transparency and prudence to ensure that approved loans can be effectively managed and aligned with the principles of sustainable growth. The main policies include:

1. Risk Management

The Company employs a prudent risk management approach by assessing key factors such as financial position, debt service capacity, operating results, and other relevant risk factors, including thorough credit checks and continuous monitoring of customers' financial status throughout the contract period. This ensures that the debt burden is under control and managed in accordance with international standards.

In addition, the Company does not have a policy of concentration of debt burden on any single trade debtor to prevent potential risks. Credit limits are set at both individual and group levels to ensure appropriate debt distribution, consistent with the Company's financial position and acceptable risk levels.

2. Credit Policy and Credit Approval Authority

The Company has a credit approval policy that emphasizes the quality of customers and trade debtors by considering factors such as financial position, experience, debt service capacity, and business history to ensure that approved credit limits are in line with acceptable standards and risks.

Credit Approval Authority Structure clearly defined to support fast and transparent operations, as follows:

- Executive Level: Approves loans with low credit limits and low risk.
- Credit Committee Level: Approves loans with high credit limits and complexity.
- Board of Directors Level: Approves loans with the highest credit limits or those that are significant to the business.

All credit approval processes are subject to a rigorous risk management framework to balance risk management and business growth while meeting the needs of shareholders and stakeholders.

3. Fee and Interest Rate Policy

The Company sets fees and interest rates by considering financial costs, competitiveness, and relevant factors such as the customer's financial position, debt service capacity, business size and type, as well as trade debtor attributes such as financial status and credit terms.

Fees and interest rates are aimed at being fair to customers while maintaining a balance between returns and risks to support the Company's sustainable business operations in the long run.

1.2.2.1 Product/service information and business innovation development

Loan products offered by the company

The company is committed to providing a wide range of loan services that comprehensively meet the needs of customers by developing products suitable for each business type. This is to enhance the financial stability of customers and support sustainable business growth. The details of the products offered by the company are as follows:

Factoring Product

The company provides short-term working capital loans designed to support entrepreneurs without the need for collateral, but instead uses the method of transferring the right to claim money to increase business liquidity. Most of the company's clients are small and medium enterprises (SMEs) that need working capital for business operations or expansion.

The company will purchase trade receivables from clients, most of whom are government agencies, state enterprises, and general private companies. Clients can access funds quickly to cover business expenses such as raw materials, labor costs, operating expenses, or additional investments without having to wait for the payment term of the trade receivables.

In addition, factoring services also help reduce the burden of monitoring and managing trade receivables for clients. The company has a management system that helps track payments and reduce the risk of managing debtors, enabling clients to focus on business development and create sustainable growth.

Steps in Accounts Receivable Factoring

1. The client sells goods or services to the debtor and provides credit terms.

The client sells goods or provides services to the debtor, specifying credit terms.

2. Bringing trade receivables for factoring transactions

When a seller needs cash in advance before the due date, the client can bring trade documents such as delivery orders, invoices, or bills to contact the company for factoring.

3. Discounting trade receivables and transferring the right to receive payment

The client factors their trade receivables to the company by transferring the right to receive payment from the debtor to the company.

4. The company pays the client in advance for goods/services.

The company will verify the trade receivables and pay the client in advance for the goods/services at a rate of approximately 80% of the total value of the trade receivables to help enhance the client's liquidity.

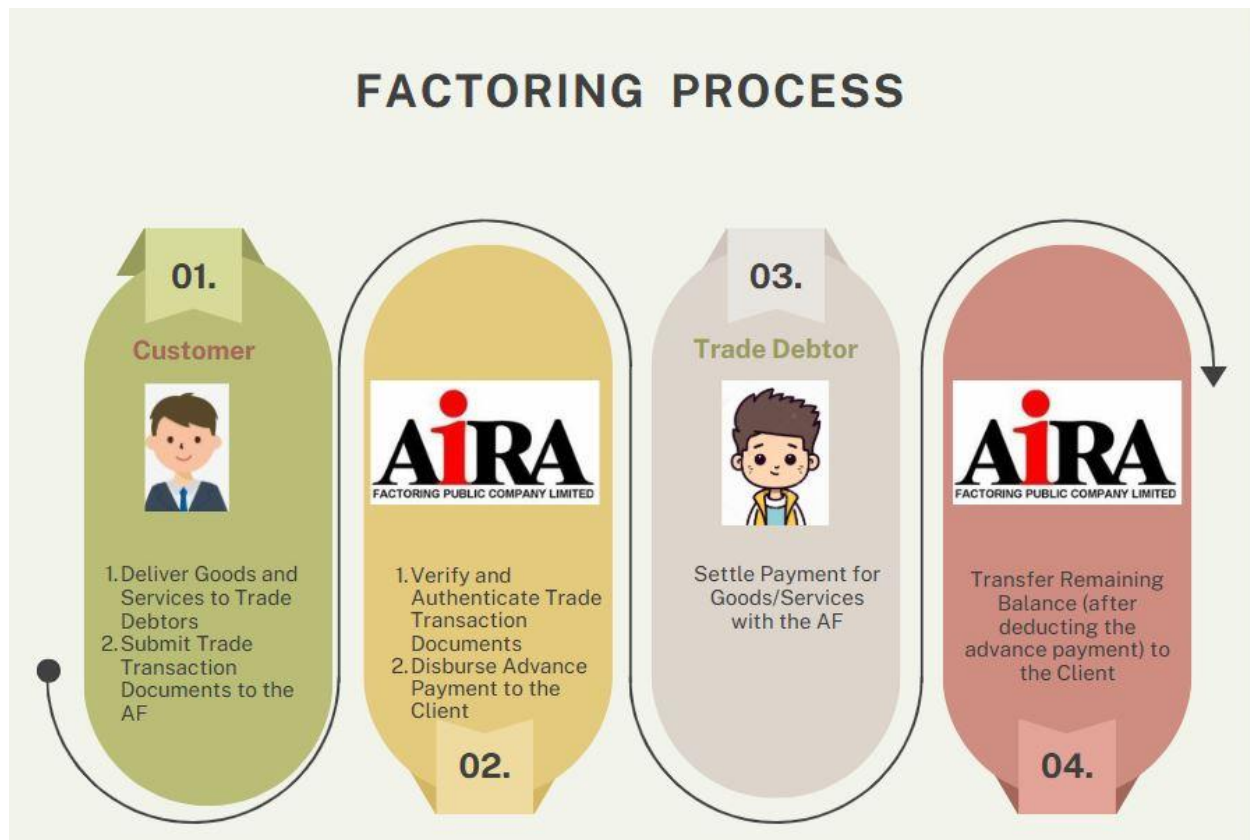
5. Collecting payment from debtors

Upon the due date specified in the trade documents (usually no more than 180 days after delivery), the company will proceed to collect payment directly from the debtor.

6. Rebate payment to the client

After the company receives full payment from the debtor, the company will refund the difference between the discounted selling price and the actual amount received to the client, deducting fees and interest as agreed.

Diagram of Factoring Product



2. Short-Term Loan Products (Exclusive P/N)

Short-Term Loans (Exclusive P/N) are credit services designed to support our clients' businesses by focusing on enhancing financial liquidity for efficient operations. This loan is suitable for existing customers with a good payment history or new customers with collateral. Our company provides services under a fast and flexible process to accommodate short-term financial needs.

Short-Term Loan Service Procedure

Starting with the customer submitting documents such as Purchase Orders or Contracts for loan disbursement consideration. The company will then consider approving a P/N (Pre-Finance) short-term loan, which is a secured loan. The maximum loan term is 180 days. Customers can use the loan as working capital for activities such as purchasing raw materials, paying expenses, or managing business operations to promote growth and ensure business continuity.

3. Long-Term Loan Products

Long-term loan is a service that supports business expansion or investment projects by using collateral such as land, buildings, or other real estate. The company approves a maximum loan amount of 80% of the collateral value and sets a maximum repayment period of 5 years to effectively meet the capital needs of customers.

Service Steps

Starting with the customer submitting an investment project with collateral for the company's consideration. After the verification and approval, the customer can withdraw the loan to use in the project or business expansion.

4. Providing Account Payable Financing Programs to AF's Partners.

The company provides credit services through a business network, collaborating with partners who are leading business operators with strong financial status and high potential. This collaboration aims to support sellers of goods or services to the partners directly under this program. The partners will pay directly to the company, minimizing risk. Meanwhile, sellers of goods or services participating in the program will receive special credit consideration terms, including competitive interest rates and fees. This project helps strengthen the financial stability of sellers while promoting sustainable business relationships between partners and the company.

Diagram of 4. Providing Account Payable Financing Programs to AF's Partners.



Our products

5. Investment Banking

The company provides financial advisory services to entrepreneurs by connecting business opportunities through Business Matching and offering appropriate credit options to effectively meet clients' financial needs. The company can provide direct financial support to clients, as well as provide Business Solutions and Financial Solutions that align with their business structure, through collaboration with financial partners and affiliates. This covers a wide range of financial businesses, such as leasing, retail loans, and large-scale project loans, to support corporate growth and enhance business competitiveness.

Research and development policy in various areas, and details regarding innovation development in processes, products and/or services, or business models.

Financial product and innovation research and development policy

The Company is committed to developing modern financial products and innovations that meet the needs of customers in the digital age to enhance competitiveness and add value to all stakeholders.

Innovation and Technology Development Process

The company's innovation and technology development process begins with

- **Study market needs and customer behavior**

The Company places importance on studying market needs and customer behavior comprehensively in order to design financial products and services that meet the needs of the target group and improve existing products to be efficient and suitable for current use.

- **Applying digital technology**

The Company promotes the adoption of modern technologies such as digital platforms, online services, and automated financial solutions to develop products and services to increase efficiency, reduce costs, and create convenience for customers.

- **Collaboration with business partners**

The Company places importance on collaborating with specialized business partners such as technology companies, software developers, and financial institutions to develop comprehensive financial solutions that meet market demands and create value for customers.

- **Sustainability (ESG)**

The Company focuses on supporting sustainable development by designing financial products and innovations that balance business growth, community support, and environmental impact reduction, including listening to stakeholder information and feedback on the impacts of innovation to improve it.

- **Promoting creativity within the organization**

The Company encourages employees to participate in the research and development process by proposing new ideas to increase product diversity and add value to the organization.

- **Continuous monitoring and evaluation**

The Company continuously monitors and evaluates product and innovation development to ensure that the products developed can effectively meet market needs and maximize customer satisfaction.

Performance in Product Development and Financial Innovation

In the past, Ira Factoring Public Company Limited has continuously developed financial products and innovations to enhance service efficiency and meet the diverse needs of customers in the digital age. Key projects that reflect the company's commitment include:

1. Factoring Online: A digital platform for convenient and fast service

Factoring Online is a digital platform that allows customers to access the company's services anytime, anywhere, whether it is applying for credit, checking application status, or conducting various transactions through the online system, making operations easier and reducing the time it takes to contact the company.

2. e-Factoring: Purchasing trade documents online

One of the key innovations developed is e-Factoring, which allows customers to use trade documents such as invoices or bills of lading to conduct factoring transactions quickly through online channels. This innovation increases convenience, reduces complex steps, and helps businesses run smoothly.

3. Core Factoring System Development

The company has upgraded its core operating system to be more modern and efficient, supporting increased transaction volumes and enhancing service reliability. In 2024, the Core Factoring system was developed to be on the Cloud Platform to increase service continuity and enhance system maintenance efficiency to be modern and meet the needs of today's business operations.

4. Green Finance Project Development

The Company has designed loans to support environmentally friendly projects such as renewable energy, resource reduction, and environmental conservation.

5. Collaboration in developing supply chain solutions

In 2024, the company partnered with NEC Thailand and used the TASConnect platform to enhance financial services in the form of supply chain solutions, focusing on creating maximum benefits for customers and strengthening financial management.

Benefits of financial innovation development

Economic: Helping to expand the customer base, increase factoring transaction volume, and enhance growth potential in a highly competitive market.

Social: Supporting small-scale entrepreneurs to access funding sources, providing financial knowledge, helping to reduce costs and time for customers in doing business.

Environment: Reduce the use of paper and natural resources, support environmentally friendly business operations.

Research and development (R&D) policy : Yes

R&D expenses in the past 3 years

	2022	2023	2024
Research and development (R&D) expenses over the past 3 years (Million Baht)	0.00	2,710,845.00	0.00

Additional explanation about R&D expenses in the past 3 years

The company does not separately classify research and development (R&D) expenses, as these costs are incorporated into the IT system development budget, which is considered part of the company's regular operating expenses. However, the company places great emphasis on continuous development and system enhancements to improve efficiency and elevate service quality. In 2023, the company invested THB 2.7 million in the development of the Factoring Online system to enhance financial service capabilities and provide greater convenience for customers. Furthermore, in early 2025, the company proceeded with the development of the E-Factoring system, incurring an additional THB 0.37 million in development costs. This initiative aligns with the company's strategy to upgrade its IT systems in response to digital trends and evolving market demands.

1.2.2.2 Marketing policies of the major products or services during the preceding year

The company has a marketing policy that focuses on sustainable development according to ESG (Environmental, Social, Governance) guidelines to support the growth of customers' businesses and meet the needs of various industries. The marketing strategy emphasizes the development of modern products, services, and technology, along with strengthening relationships with customers and business partners.

Marketing Strategies

- **Digital marketing:** Utilize digital tools such as SEO, SEM, social media (TikTok, LinkedIn, Facebook, Line OA), and online platforms to increase reach to new customers and build product awareness.
- **Enhance service processes:** Developing technology such as Online Factoring and E-Factoring systems to increase convenience, speed, and reduce service steps.
- **Expand market area:** Providing services outside of Bangkok and its vicinity through online channels to reach potential customers in the region.
- **Increase product diversity:** Launch Green Loan products to support businesses that focus on sustainable development.
- **Build partnerships:** Expand collaboration with business partners and companies within the network to develop products that meet market needs.

Develop customer relationships: Developing customer relationships to strengthen relationships with existing customers and increase service satisfaction.

Marketing channels

1. **Digital media and social media** Utilize popular platforms such as TikTok, LinkedIn, Facebook, and Line OA to increase reach and engagement with customers.
2. **Partner network: Collaborate with business partners.** To introduce new customers and expand the customer base.
3. **Knowledge-sharing activities: Organize workshops and seminars on finance and credit.** To create an understanding of products and services.
4. **Participation in financial events: Participate in green finance and economic events with private and public sector partners both domestically and internationally.** To raise awareness and increase access to new customers.

Service Channels

1. **Online services (E-Factoring)** Providing services through a modern E-Factoring system, customers can conduct transactions, check status, and track information in real-time.
2. **Services through loan officers.** Provide consulting services and close customer care through experienced loan officers.
3. **Services through business partners and platforms.** Develop partnerships to increase access to services.
4. **Financial support and consulting.** A team of experts helps customers manage cash flow and accounts receivable efficiently.

Marketing Performance for the Year 2024

The Company has successfully expanded its customer base, particularly in high-growth industries such as renewable energy, logistics, medical equipment, EVs, and electronic components. It also supports environmentally friendly projects and reduces resource consumption through digital business operations such as E-Factoring and Online Factoring, which significantly enhance efficiency, reduce service time, and increase customer convenience.

The Company has implemented effective risk diversification measures by diversifying its loan portfolio across various industries to reduce over-reliance on any single business sector. It also regularly reviews customers' financial status and operating results and closely monitors customer-debtor relationships to adjust loan terms in a timely manner. In addition, the Company analyzes industry conditions to anticipate potential risks.

In 2023 and 2024, the Company's revenue was widely distributed, with no single customer accounting for 10% or more of total revenue.

Accounts Receivable and Portfolio Structure

The outstanding balance of accounts receivable arises from customers transferring their rights to receive debt payments from debtors to the Company. As of December 31, 2024, the Company had a total outstanding balance of Baht 2,483.53 million, with the top 10 largest customers having an outstanding balance of Baht 548.05 million, or 22.07% of the total outstanding balance.

The proportion of the loan portfolio distribution in each year is as follows:

Year 2022: The top 10 largest customers accounted for 25.79% of the total outstanding balance, while the remaining customers accounted for 74.21%.

Year 2023: The proportion of large customers decreased to 19.52%, while the rest increased to 80.48%.

Year 2024: The top 10 largest customers had a total outstanding balance of Baht 548.05 million, representing 22.07%, while the remaining customers accounted for 77.93%.

Loan receivables

As of December 31, 2024, the Company had a net loan receivable balance, after deducting allowance for expected credit losses, of Baht 393.27 million, reflecting efficient asset and risk management capabilities. The increase in receivables indicates growing market demand and prudent loan expansion.

As of December 31, 2024, the Company had a total outstanding balance of loans receivable of Baht 420.93 million, categorized as follows:

Loans receivable due within one year:

Year 2022: Baht 173.82 million

Year 2023: Baht 319.92 million

Year 2024: Baht 271.81 million

The industry competition during the preceding year

Overview of the Factoring Industry in Thailand

The factoring industry in Thailand has grown steadily over the past several years, supported by:

- **Expansion of small and medium enterprises (SMEs)** : SMEs need working capital for various activities such as purchasing raw materials, expanding their business, and managing cash flow.
- **Development of digital technology**: Implementing E-Factoring systems and online platforms to increase efficiency and reduce operating costs

Demand for factoring continues to grow as SMEs have limited access to credit from traditional commercial banks.

Competitive structure in the factoring market

The factoring market in Thailand is highly competitive, with service providers divided into 3 main groups:

1 Commercial Bank

Large banks such as Krung Thai Bank, Siam Commercial Bank, and Kasikornbank have an advantage in terms of their extensive branch networks, large customer bases, and diverse financial products.

2 Non-Bank Financial Institutions

Companies such as Ira Factoring Public Company Limited have flexibility and speed in loan approvals, making them able to effectively meet the needs of SMEs.

3 Digital Platforms

FinTech Startups are playing an important role in the market, using technologies such as AI-powered credit scoring and real-time loan approvals to expand their customer base.

Factors affecting market competition

The growth of the factoring industry depends on the following key factors:

- **Service Speed**: Fast loan approvals and disbursements meet the needs of customers who need immediate capital.
- **Technology adoption**: Digital systems such as E-Factoring increase the accuracy of data analysis and reduce processing time.
- **Financial costs**: Competitive interest rates and fees are key factors in attracting customers.
- **Credibility and transparency**: Financial stability and regulatory compliance build customer confidence.

Challenges and Opportunities in the Factoring Industry

Challenges:

- Competition from FinTech and new service providers
- Strictness from regulators such as the Bank of Thailand

Opportunities:

- Growth of SMEs and export businesses
- Development of digital services that increase convenience and reduce costs

Market Growth Trends in 2024

Loan Portfolio Overview

In 2024, lending by Thai financial institutions changed significantly, especially in the third quarter, when commercial bank loans contracted by 2% year-on-year, the first time in 14 years after the global financial crisis.

Business loans

- **Increased credit demand:** Demand for loans has increased among large businesses and SMEs, with large businesses focusing on loans for refinancing and supporting exports, while SMEs focus on working capital and fixed asset investments.
- **Strict lending standards:** Financial institutions are tightening their lending standards by requiring more collateral and raising interest rates for high-risk borrowers.

Retail loans

- **Decreased credit demand:** Retail loans declined in almost all categories, especially auto hire purchase loans, due to still low consumer confidence.
- **Maintaining strict lending standards:** High-risk borrowers still face stringent loan requirements.

Loan growth trend in the commercial banking system It is expected to be low, reflecting economic uncertainty and the borrowing capacity of businesses and households. The factoring industry still has opportunities to grow from the demand for working capital among SMEs and specific industries such as logistics, renewable energy, and healthcare.

Positive impact on the factoring industry

Changes in the bank's lending system have had a positive impact on the factoring industry as follows:

1. **Opportunities from SME adaptation:** SMEs still need credit to enhance liquidity.
2. **Using technology to increase efficiency:** Digital systems help increase speed and convenience for customers.
3. **Demand for specialized credit:** Potential industries such as healthcare, renewable energy, and logistics will be the growth drivers in the future.

Market share and strengths of the company

In 2024, Ira Factoring Public Company Limited had a market share of approximately 11.2% in the factoring industry.

The company has strengths that support sustainable growth, including:

- **Expertise in the factoring business:** With over 25 years of experience, the company is able to provide advice and services that meet the needs of its customers.
- **Effective risk management:** Selecting potential customers and reducing credit risk helps keep non-performing loans (NPLs) low.
- **Customer-centric service:** The customer management process is designed to meet the specific needs of each customer group.
- **Support from financial partners:** The company is supported by stable funding sources, which strengthens its long-term financial stability.
- **Development of digital technology:** The adoption of E-Factoring systems and other digital tools helps increase convenience and reduce costs for customers.

Despite facing economic challenges and intense competition, with adaptation, the use of technology, and strategies focused on sustainability, the company is confident that it will be able to maintain long-term growth and continue to make shareholders and customers proud.

1.2.2.3 Procurement of products or services

The Company places great importance on efficient financial planning and management to support its factoring, short-term, and long-term loan services, as well as to accommodate future business growth. The Company's funding management policy is as follows:

Funding Management Policy

• Funding

The Company sources funding from a variety of financial institutions to reduce reliance on a single funding source. It also utilizes a range of financial instruments, such as promissory notes, bills of exchange, and long-term loans, focusing on negotiating flexible financial terms to meet the funding needs of the factoring business in all situations.

• Funding Objectives

The Company aims to manage funding costs effectively by setting appropriate repayment terms that align with the structure of factoring loans to support current operations and sustainable future growth.

• Lending

The Company prioritizes extending factoring loans to customers with strong repayment potential, based on comprehensive risk assessments, such as credit checks on customers and trade debtors, as well as setting appropriate collateral requirements to ensure financial stability and minimize non-performing loans (NPLs).

• Risk Management

Although the Company is not subject to reserve requirements like banks, it prioritizes managing funding cost risks by closely monitoring economic conditions and market volatility, such as interest and exchange rates. The Company adjusts its funding strategies accordingly to maintain competitiveness and mitigate impacts on profitability.

• Reliance on Partners and Financial Institutions

The Company receives financial support from multiple reputable financial institutions and shareholders. This diversification of funding sources mitigates the risk of over-reliance on any single institution, enhancing financial stability and supporting the Company's long-term growth.

The Company's sources of funds in the past year

The Company has received financial support from several financial institutions under agreements covering various conditions, such as prohibiting the Company from mortgaging, pledging, or encumbering its assets (Negative pledge), including maintaining financial ratios as specified in the agreement with the financial institutions to maintain financial liquidity and appropriate risk management.

The Company's primary source of funds is short-term borrowings, particularly from the issuance of promissory notes, which reflects the appropriate utilization of funds from financial institutions to support short-term liquidity needs. As of December 31, 2024, the Company had outstanding short-term loans of 1,625 million baht at interest rates between 4.10 - 4.73 percent per annum, compared to 1,755 million baht at interest rates between 3.95 - 4.93 percent per annum in 2023.

In addition, the Company maintained an undrawn credit facility of 945 million baht. increased from the previous year, which was valued at 835 million baht. Maintaining such credit facilities reflects adequate reserve fund management for business operations.

Financial Management in the Past Year

In 2024, amidst economic volatility and rising interest rates, the Company was able to maintain stable financial liquidity. The Company has a policy of seeking funding sources that align with its capital expenditure objectives, taking into account the cost of capital and repayment terms appropriate to the nature of the factoring business. Such management helps strengthen long-term financial stability, supports sustainable business expansion, and mitigates risks from future financial market changes.

1.2.2.4 Assets used in business undertaking

Core permanent assets

The Company has entered into lease agreements for use in its business operations as follows:

1. Space Rental: The Company entered into a lease agreement for space and utilities with Aspiration One Co., Ltd., which is related to the Company, for 1 floor, with the following details:

- Lease of space on the 12A floor, with a total area of 690.60 square meters, for a total period of 3 years, with a rent-free period from April 1, 2023 to May 31, 2023 (rental rate and monthly common area fee of 575,684.16, totaling 6,908,209.92 Baht per year).

2. Car Rental: The Company entered into a car rental agreement with Master Car Rental Co., Ltd., which is not related to the Company, for 5 vehicles, with the following details:

- 3 Toyota Altis 1.8HEV Premium vehicles for a total period of 4 years (rental rate of 56,175.00 per month, totaling 617,925.00 Baht per year).

- 2 Toyota Altis 1.8HEV Premium vehicles for a total period of 4 years (rental rate of 37,450.00 per month, totaling 449,400.00 Baht per year).

3. Car Rental: The Company entered into a car rental agreement with Toyota Leasing (Thailand) Co., Ltd., which is not related to the Company, for 1 Toyota Camry vehicle for a period of 4 years (rental fee of 33,330.00 per month, totaling 399,960.00 Baht per year).

4. IT Equipment Rental: The Company entered into a lease agreement with Inex Broadband Co., Ltd., which is not related to the Company, for 1 vehicle for a period of 1 year (rental fee of 40,660.00 per month, totaling 487,920.00 Baht per year).

In 2024, the Company had total expenses for office space rental for business operations of 6,908,209.92 Baht, car rental expenses for business operations of 1,467,285.00 Baht, and IT equipment expenses of 487,920.00 Baht.

Core intangible assets

The Company's intangible assets consist of computer software with a net book value of 3.90 million baht.

Investment policy in the subsidiaries and associated companies

Investment policy in the subsidiaries and associated : No
companies

1.2.2.5 Under-construction projects

Under-construction projects : No

Details of under-construction projects

Total projects : N/A

Values of total ongoing projects : N/A

Realized value : N/A

Unrealized value of remaining projects : N/A

Additional details : -

1.3 Shareholding structure

AIRA Factoring Public Company Limited is a subsidiary of Ira Group, with AIRA Capital Public Company Limited holding 71.55 percent of its paid-up capital.

1.3.1 Shareholding structure of the group of companies

Shareholding Structure of AIRA Group

AIRA Capital Public Company Limited ("AIRA") is a holding company that operates its business by investing in several subsidiaries and associated companies, covering businesses in real estate, finance, factoring, hire purchase, real estate, and asset management.

Shareholding Structure Details (as of December 31, 2014)

Subsidiary

1. AIRA Securities Public Company Limited ("AS") Shareholding proportion: 99.99% There is 1 Subsidiary:
 - AIRA Advisory Company Limited ("AD") Shareholding proportion: 99.99%
2. AIRA Venture Capital Company Limited ("AVC") Shareholding proportion: 99.99%
3. AIRA International Advisory (Singapore) Pte Ltd. ("AI") Shareholding proportion: 96.67%
4. AIRA Asset Management Company Limited ("AIAM") Shareholding proportion: 91.67%
5. AIRA Leasing Public Company Limited ("AIL") Shareholding proportion: 71.85%
6. AIRA Factoring Public Company Limited ("AF") Shareholding proportion: 71.55%
7. AIRA Property Public Company Limited ("AIP") Shareholding proportion: 65.00% There are 2 subsidiaries:
 - Aspiration One Company Limited ("ASP1") Shareholding proportion: 60.00%
 - Aspiration Two Company Limited ("ASP2") Shareholding proportion: 99.60%

Associated companies

1. AIRA & Iful Public Company Limited Shareholding proportion: 30.00%
2. Travelex (Thailand) Co., Ltd. Shareholding proportion: 38.00%

Policy on operational organization within the group of companies

The Company is a part of AIRA Group and operates in alignment with the Group's direction to enhance overall strength and efficiency. The Company adopts the Group's guidelines and policies as a strategic framework while maintaining independence in determining business direction, management, and policy decisions appropriate to its structure and competitive environment. This ensures that business operations are efficient, transparent, and consistent with the Group's objectives.

Operational Approach between the Company and the Parent Company

1. Management Responsibilities

The Company has the authority to establish policies and manage matters related to its own business, emphasizing transparency, efficiency, and compliance with laws and regulations of regulatory bodies. The Company's operations are aligned with the strategic direction set by the parent company.

2. Supervision from the Parent Company

The parent company is responsible for setting the overall direction and policies of the Group, including providing strategic support, human resource development, and group-level risk management to ensure consistency and enhance the effectiveness of operations within the business network.

3. Collaboration between the Company and the Parent Company

The Company and its parent company work closely together to enhance business operations efficiency through shared resources such as technology knowledge exchange, financial support, and collaboration on sustainable development projects, which help strengthen the Group's potential in the long run.

4. Performance Reporting

The Company prepares performance reports and progress updates on the implementation of policies set by the parent company and submits them to the parent company regularly to ensure that the Company's operations are aligned with the overall goals and strategies.

5. Operating within the Policy Framework

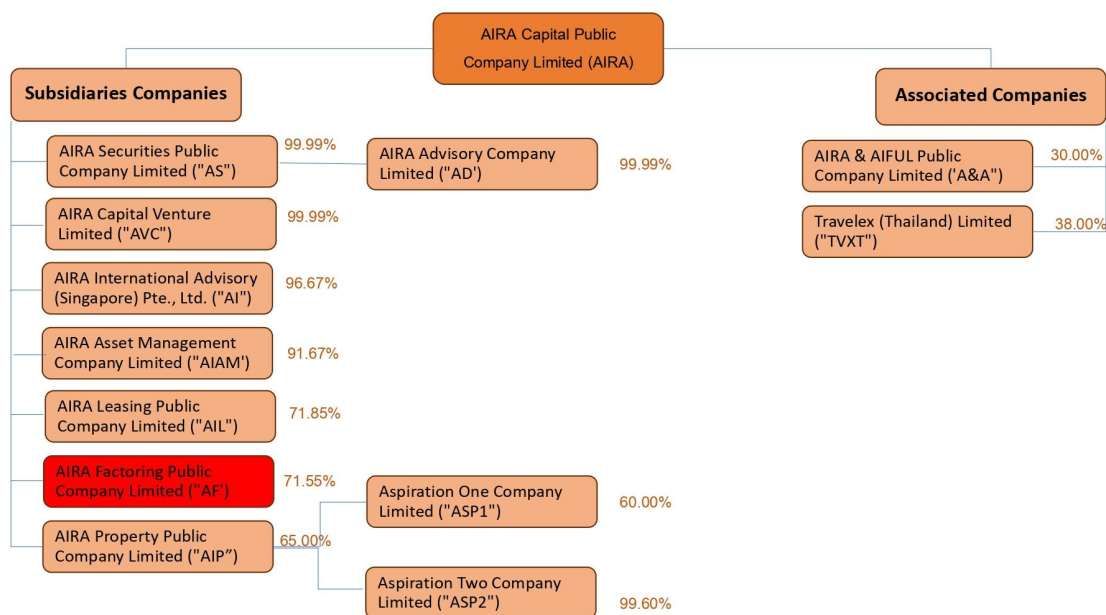
The Company conducts business within the policy framework set by the parent company, adhering to the principles of Good Corporate Governance, Sustainability, and Risk Management to build trust and transparency among all stakeholders.

6. Promoting Sustainable Growth

The Company focuses on operations that create value for shareholders, take care of employees, and support social and environmental responsibility. It collaborates with the parent company to lay the foundation for stable long-term development and growth.

Shareholding diagram of the group of companies

Shareholding diagram



Group Company Shareholding Structure

Company that holds 10% or more of the total shares sold

Name and the location of the head office	Type of business	Type of shares	The number of shares	The number of shares sold
AIRA Capital Public Company Limited 319 Chatrium Jaturus Tower, 12th Floor, Phaya Thai Road, Pathumwan Bangkok 10330 Telephone : 0-2080-2999 Facsimile number : -	Holding	Common shares	1,144,751,099	1,600,000,000

1.3.2 Shareholding by a person with a potential conflict of interest holding exceeding 10 percent of the voting shares in a subsidiary or associated company

Does the company have a person with potential conflicts of interest holding shares in a subsidiary or associated company? : No

1.3.3 Relationship with major shareholders' business

Does the company have a relationship with a business : Yes
group of a major shareholder?

The majority shareholder of the company is AIRA Capital Public Company Limited, the parent company of the Ira Group, which holds 71.55% of the paid-up capital. Ira Factoring Public Company Limited is a part of the Ira Group and operates under the principles of transparency and a clear governance system.

The parent company plays a crucial role in setting strategic directions and supporting operations to align with the group's objectives. It also promotes collaboration among subsidiaries and partners to enhance capabilities and foster sustainable growth.

1.3.4 Shareholders

List of major shareholders ⁽¹⁾

List of Major Shareholders as of December 31, 2024

Group/List of major shareholders	Number of shares (shares)	% of shares
1. AIRA Capital Public Company Limited	1,144,751,099	71.55
2. Mr. Kulwut Wiratmalee	90,439,800	5.65
3. Mr. Thaweechat Jurangkoon	67,893,800	4.24
4. Mrs. Hathairat Jurangkoon	66,035,900	4.13
5. Mr. Nattaphon Jurangkool	65,820,100	4.11
6. Summit Corporation Company Limited	46,672,000	2.92
7. Mr. Natee Rongkratanakul	19,990,000	1.25
8. Mr. Kunakorn Makchaidee	12,000,000	0.75
9. Mrs. Duananong Pharadornchai	9,600,000	0.60
10. Mr. Jarinsak Youngjui	3,000,000	0.19

Remark : ⁽¹⁾ Note: Foreign Shareholding Restriction: Foreign shareholders may hold in aggregate not more than 49 percent of the total issued and paid-up shares of the Company. As of December 31, 2024, foreign investors held 0.00001 percent of the total shares.

Major shareholders' agreement

Does the company have major shareholders' : No
agreements?

1.4 Amounts of registered capital and paid-up capital

1.4.1 Registered capital and paid-up capital

Registered capital and paid-up capital

Registered capital (Million Baht)	:	400.00
Paid-up capital (Million Baht)	:	400.00
Common shares (number of shares)	:	1,600,000,000
Value of common shares (per share) (baht)	:	0.25

Has the company listed in other stock exchange?

Has the company listed in other stock exchange? : No

1.4.2 Other types of share whose rights or terms differ from those of ordinary share

Other types of share whose rights or terms differ from those of : No
ordinary share

1.4.3 Shareholding by Thai NVDR Company Limited (NVDR)

Are shares held by Thai NVDR Company Limited (NVDR)? : Yes

Number of shares (Share) : 1,596,603
Calculated as a percentage (%) : 0.99

The impacts on the voting rights of the shareholders

The non-exercise of voting rights by mutual funds or NVDR issuers (e.g., Thailand NVDR Co., Ltd.) in shareholders' meetings may affect the voting structure, resolutions, and transparency of corporate governance, especially in cases requiring a supermajority vote, such as amending the company's articles of association or approving major transactions.

This is because Thailand NVDR Co., Ltd. holds 1,596,603 shares in the company, representing only 0.99% of the total number of shares. This shareholding proportion is relatively small compared to other shareholders who may hold a larger number of shares. Therefore, although the non-exercise of voting rights by Thailand NVDR Co., Ltd. has some impact, the impact on voting and meeting resolutions remains low and insignificant.

1.5 Issuance of other securities

1.5.1 Convertible securities

Convertible securities : No

1.5.2 Debt securities

Debt securities : No

1.6 Dividend policy

The dividend policy of the company

The company has a dividend payment policy to pay dividends to shareholders at a rate of not less than 50 percent of net profit each year after deducting various reserves as stipulated in the company's Articles of Association and according to the law. The dividend payment will be considered by taking into account various factors such as the financial status, operating results, and investment plans of the company. The company will consider paying dividends when there are no other necessities that may significantly impact normal operations or the ability to expand the business in the future.

Historical dividend payment information

	2020	2021	2022	2023	2024
Net profit per share (baht : share)	0.0267	0.0309	0.0283	0.0043	0.0105
Dividend per share (baht : share)	0.0210	0.0250	0.0320	0.0000	0.0200
Ratio of stock dividend payment (existing share : stock dividend)	0.0000	0.0000	0.0000	0.0000	0.0000
Value of stock dividend per share (baht : share)	0.0000	0.0000	0.0000	0.0000	0.0000
Total dividend payment (baht : share)	0.0210	0.0250	0.0320	0.0000	0.0200
Dividend payout ratio compared to net profit (%)	78.67	80.77	113.12	0.00	191.14

2. Risk management

2.1 Risk management policy and plan

Risk management policy and plan

The risk management policy of AIRA Factoring Public Company Limited reflects its commitment to conducting business under the framework of integrated risk management according to the COSO ERM standard, which is a globally recognized guideline. The goal is to create stability and sustainability in operations while promoting strategic decision-making that can effectively respond to risks and opportunities. The company's risk management policy has been approved by the Board of Directors and requires all departments within the organization to participate in the risk management process continuously. The company designates risk management as the responsibility of all departments, from the Board of Directors, management, executives, and all employees, to create awareness and implementation until it becomes a corporate risk management and internal control culture (Risk Culture).

The Board of Directors has appointed a Corporate Risk Management Subcommittee to set guidelines and risk management tools in line with the company's risk governance framework, as well as to oversee the company's risk management in accordance with policies and strategies, and to review the adequacy of risk management policies and systems.

Top executives play a role in overseeing risk management within their departments and encourage employees at all levels to participate in the risk assessment process, determining measures, and continuously monitoring the assessment results.

For the essence of risk management policies and plans, the company emphasizes building a strong internal risk culture. The company focuses on developing efficient information technology systems to support the risk management process. It also defines comprehensive management procedures, ranging from risk identification, impact assessment, response determination, to systematic monitoring, reporting, and internal communication. These efforts aim to foster a clear understanding of the risks associated with the company's operations. Furthermore, the company reports on the status of risks and operational results, along with continuous monitoring and evaluation to improve risk management approaches in alignment with the company's strategic goals.

Corporate Risk Management The company has established loan policies and procedures that align with the standards of general financial institutions, such as loan policies, credit screening procedures, and debt resolution procedures. This aims to enhance risk management efficiency and maintain risks within an acceptable level continuously. The organization also prioritizes the development of Early Warning Signs mechanisms to facilitate the swift and effective detection of events that may impact the company.

Furthermore, the company emphasizes clearly defining the roles and responsibilities of the board of directors and various departments. The Risk Management Subcommittee is responsible for reviewing and proposing policy revisions, as well as overseeing operations to align with strategic goals and business objectives. This approach focuses on controlling risks within an acceptable level, ultimately leading to value creation for the organization, shareholders, and stakeholders in the long run.

Risk Governance Structure

The company defines risk management as a shared responsibility of all departments, from the board of directors, management, executives, to all employees. This aims to establish a systematic and sustainable Risk Culture and internal control.

Board Level

- **Board of Directors:** Establish policies, objectives, and strategic directions for comprehensive risk management, as well as oversee risk management to align with the governance framework. Continuously review the adequacy and effectiveness of the risk management and internal control systems.
- **Audit Committee:** Responsible for monitoring, reviewing, and evaluating the adequacy of risk management and internal control, including Internal Audit and Risk Management, to ensure the appropriateness and effectiveness of the risk management system.
- **Credit Committee:** Provide advice and recommendations on credit risk management to management to promote quality credit management and mitigate related risks.

- **Risk Oversight Committee:** Define risk management approaches and tools to align with the governance framework, oversee risk management to align with organizational goals, and assess key risks that may impact the company.

Management Level

Senior management is responsible for overseeing risk management within their respective departments, including participating in various committees to support an effective risk management process aligned with organizational goals.

Department and Employee Level

- **Risk Owner:** Responsible for risk assessment, internal control over assigned tasks, and defining risk management measures, including continuous monitoring of implementation results. Responsible for assessing and analyzing risks, defining risk management measures/activities, analyzing the cost-benefit of each option, and monitoring risk assessment results.
- **Risk Management Function:** _ Responsible for overseeing risk management policies and frameworks, monitoring, and reporting to relevant committees. The unit ensures the dissemination of knowledge and guidance on risk management to various departments continuously to ensure the effectiveness and efficiency of the company's risk management process. It develops an effective and efficient risk management system, monitors risk management results from Risk Owners, and prepares risk reports for submission to management, the Risk Management Subcommittee, the Audit Committee, and the Board of Directors.
- **Internal Audit Department:** _ Responsible for monitoring and reviewing operational processes to ensure compliance with policies and procedures, ensuring adequate and appropriate internal control/risk management, and reporting to the Audit Committee.
- **All employees** Participate in fostering a risk management culture and strictly adhere to the company's risk management framework.

Corporate Risk Management Process

The company manages risk through six key processes designed systematically to ensure effective and comprehensive risk management across the organization, as follows:

1. **Setting the Organization's Operational Direction:** Establish strategic goals and a risk management framework that aligns with the business plan and organizational strategy to create a clear direction for operations.
2. **Risk Identification:** Identify and compile risks that may impact organizational goals at both the operational and organizational levels, considering both internal and external factors.
3. **Risk Assessment:** Analyze and prioritize risks based on their level of impact and likelihood of occurrence, utilizing internationally standardized tools and methodologies.
4. **Risk Mitigation Planning:** Develop clear risk management plans, including defining preventive measures and mitigating potential impacts to ensure stability in operational processes.
5. **Monitoring and Evaluation:** Monitor the status and effectiveness of risk management measures and conduct periodic evaluations to improve the process for optimal outcomes.
6. **Communication and Promotion of Risk Culture:** Raise awareness and understanding of risk management among personnel at all levels through training, transparent communication, and support from management.

Corporate Risk Management

The company prioritizes risk management in all dimensions to enhance stability, sustainability, and business confidence. Risk management encompasses four key areas and integrates ESG (Environmental, Social, and Governance) considerations into all aspects to promote sustainability in operational processes, as follows:

1. Strategic Risk:

Strategic risk refers to the risk arising from inappropriate or misaligned strategic planning, operational planning, or plan implementation with internal factors and the external environment. This may impact revenue, competitiveness, or long-term business stability.

The company continuously identifies, assesses, monitors, and controls this risk to ensure that operations align with established goals and strategies. It integrates ESG factors into its operations to create sustainable value for stakeholders, such as considering approaches to reduce environmental impact, promote social responsibility, and conduct business ethically. The company remains committed to periodically reviewing its strategies to respond effectively to changes in the business environment and adapt effectively in all situations.

2. Financial Risk

Financial risk refers to the risk arising from the organization's financial management, which may impact financial performance (revenue, expenses, net profit). Financial risk includes:

- **Market Risk:** The risk arising from changes in interest rates, which may impact financial costs or the ability to manage finances effectively. The company closely monitors and manages this risk, such as adjusting its capital structure to enhance financial stability and managing financial costs efficiently. It also prioritizes ESG risks by supporting projects aligned with sustainable development goals.
- **Liquidity Risk:** The risk arising from the company's inability to secure sufficient liquidity for operations. The company has established a liquidity management plan and continuously monitors its liquidity status to ensure its ability to meet liquidity needs in all situations. It also defines financial strategies that support sustainable business development.
- **Credit Risk:** The risk arising from the inability of debtors or counterparties to fulfill their payment obligations. The company has developed loan policies, credit assessment and approval tools, and portfolio management to control this risk within an acceptable level. This includes considering the environmental and social factors of customers to mitigate risks from businesses that may impact long-term sustainability.

3. Operational Risk

Operational risk refers to the risk arising from deficiencies in internal processes, personnel, systems, or external events that may impact the company's operations. This includes Fraud Risk and the risk of relying on information technology systems that may malfunction, leading to operational disruptions.

The company has established policies and procedures for operational risk management, including the development of a business continuity plan to prepare for events that may impact operations. The company also integrates ESG risk considerations into its operations, such as reducing greenhouse gas emissions, using resources efficiently, and maintaining data security, to create a reliable and sustainable system.

4. Compliance Risk

Compliance risk refers to the risk arising from violations or non-compliance with laws, regulations, rules, or standards related to operations. This includes the risk of non-compliance with policies and procedures established by the organization.

The company prioritizes good corporate governance and ethical business practices to mitigate potential risks such as abuse of power, non-compliance with regulatory requirements, and a lack of transparency in management. The company has established clear policies and guidelines, along with continuous monitoring and evaluation, to ensure that business operations comply with relevant rules, regulations, and standards.

2.2 Risk factors

2.2.1 Risk that might affect the company's business, including environmental, social and corporate governance issues

Risk 1 Financial risk from debt default or incomplete debt repayment

Related risk topics : [Financial Risk](#)

- Default on payment or exchange of goods

Risk characteristics

Factoring businesses face the risk of default by trade debtors (buyers) which may occur when payment is due but cannot be collected from the trade debtors. However, if the company accepts the assignment of receivables with recourse, the company can claim payment from the client (seller). But if the company accepts the assignment of receivables without recourse, the company will not be able to claim responsibility from the client. As a result, the company may experience bad debts if the trade debtor fails to pay on time.

In addition, the company is also at risk of receiving incomplete payments due to debt deductions between the client (seller) and the trade debtor (buyer), which may arise from trade agreements such as deductions for defective goods, obsolete goods, or trade expenses such as shipping costs or sales returns. This results in a lower amount paid by the trade debtor than the amount of debt the company expects to receive, which may affect the company's cash flow and financial results.

Risk-related consequences

- **Increased losses from bad debts and allowance for doubtful accounts:** If trade debtors are unable to pay their debts or make late payments, the company may need to increase its allowance for doubtful accounts, which will impact the company's performance and financial statements.
- **The company's cash flow may be affected:** Defaults or incomplete payments may result in a lack of liquidity for the company, affecting working capital management, and may impact the ability to extend credit to new customers.
- **Reduced investor and business partner confidence:** If the company has a high delinquency rate or receives payments lower than expected, it may reduce investor and partner confidence, impacting the company's image and future business opportunities.
- **Legal and Operational Risks:** In case of disputes over debt payments or discounts from trade agreements, it may lead to legal proceedings, affecting the company's reputation and increasing litigation expenses.
- **Impact on revenue structure and profit margins:** Incomplete payments due to discounts may result in a decrease in the company's revenue and a decrease in operating profit margins, especially in cases where discounts are significant or recurring.

Risk management measures

- 1. Assess the financial status and creditworthiness of customers and trade debtors:** Have an efficient credit management system to continuously monitor and track financial status.
- 2. Regularly monitor financial status and outstanding debt reports:** Prepare ongoing outstanding debt reports to detect potential delinquencies and deductions.
- 3. Extend credit to trade debtors with sound financial status and credibility:** Select trade debtors who accept the assignment of rights and have a good payment history.
- 4. Verify receivables before factoring:** Examine the details of receivables, including sales terms, trade agreements, and payment terms, to prevent the risk of deductions.
- 5. Establish guidelines for managing deductions:** Study and understand the trade agreements of customers and trade debtors to reduce the likelihood of deductions.
- 6. Measures to prevent deductions:**
Review the contact history and transaction history between customers and trade debtors for at least 6 months retrospectively.
Consider the type of goods, avoiding products that are easily outdated or have a high return rate.
Set appropriate factoring rates for trade documents, consistent with past payment history.

Require a credit line reserve in some cases to mitigate the risk of incomplete payments.

Utilize Credit Scoring tools to assess and categorize the risk levels of customers and trade debtors, enhancing accuracy in risk management.

7. Take timely action to resolve delinquencies and deductions: Implement debt collection measures and closely monitor payments, verify the accuracy of deductions, and negotiate in cases where receivables are deducted without reasonable justification.

8. Build long-term business stability: Employ a robust credit management process to mitigate risks and maintain the company's financial liquidity, adjust credit management policies and processes to align with the economic and business conditions of customers and trade debtors.

Risk 2 Strategic risks stemming from dependence on major customers and the concentration of customer business types.

Related risk topics : Strategic Risk

- Reliance on large customers or few customers

Risk characteristics

The Company's main customer base is small and medium-sized enterprises, which may be vulnerable to economic conditions or related industries. In the event of an economic slowdown or financial crisis, the ability of customers and trade debtors to repay debts may be affected, exposing the Company to credit risk.

Furthermore, reliance on major customers or concentration of customer business types may affect the Company's financial stability. If major customers reduce their service usage or the industries to which the Company provides credit experience problems, the Company's revenue may decline and affect its long-term business stability.

Risk-related consequences

- **Revenue and earnings risk:** If major customers reduce their service usage or if the customer's business is affected by economic conditions, the company's revenue may decline, affecting overall performance.
- **Cash flow and liquidity risk:** Reliance on major customers or specific business groups may expose the company to cash flow and liquidity risks if customers or trade debtors fail to make payments on time.
- **Industry volatility risk:** If the company concentrates its lending in certain industries, it may be affected by market volatility or changes in government policies affecting those industries.
- **Long-term business stability risk:** The concentration of customers or specific business groups may cause the company to lack flexibility in adjusting its strategies, impacting future business growth.

Risk management measures

- 1. Customer Base Diversification and Reduction of Reliance on Major Customers:** The Company focuses on providing services to small and medium-sized enterprises (SMEs) to reduce reliance on major customers and create long-term business stability.
- 2. Diversification of Industries Granted Credit:** The Company implements a risk diversification policy by providing credit to customers across various industries to mitigate the impact of business fluctuations within specific sectors.
- 3. Setting a Single Lending Limit:** The Company sets maximum credit limits per industry and for major customers to prevent risks that may arise from dependence on specific customers or industries.
- 4. Selection of Trade Debtors with Sound Financial Status:** The Company prioritizes the selection of trade debtors with a good payment history to ensure that credit risk remains at an acceptable level.
- 5. Continuous Risk Monitoring and Assessment:** The Company regularly monitors and assesses the risks associated with its customer base and industries to which it extends credit. This allows for appropriate adjustments to risk management strategies.
- 6. Development of Strategies to Accommodate Changes:** The Company has contingency plans and adaptation strategies in place to address market changes, enabling it to effectively mitigate the impact of dependence on major customers or specific industries.

Risk 3 Liquidity risk in business operations

Related risk topics : Financial Risk

- Liquidity risk

Risk characteristics

Factoring business is a short-term lending, with an average of no more than 180 days, which relies on funding sources from several financial institutions through overdraft facilities and short-term loans.

The main risk is the non-renewal of promissory notes upon maturity or the reduction or cancellation of credit lines by financial institutions, which may affect the Company's ability to obtain liquidity to support its operations.

Risk-related consequences

- **Impact on business operations:** If the company is unable to provide sufficient liquidity, it may result in the company being unable to provide loans to customers as usual and may lose business opportunities.
- **Reduced cash flow management capabilities:** Uncertainty in funding could lead to an imbalance between cash inflows and outflows, affecting the company's financial stability.
- **Increased financing costs:** If the company has to rely on loans with higher interest rates or needs to find additional sources of funding, it could increase the company's financing costs and impact earnings.
- **Decreased partner confidence:** Liquidity problems may cause customers and business partners to worry about the company's stability, which could affect long-term business relationships.

Risk management measures

1. **Manage borrowing limits in accordance with the loan terms:** The company aligns credit limits with trade receivable collection periods to balance cash inflows and outflows, reducing liquidity risk.
2. **Maintain good relationships with multiple financial institutions:** The company has a policy of diversifying its funding sources by collaborating with multiple financial institutions to increase flexibility and reduce the risk of relying on a single source of funds.
3. **Monitor liquidity status and prepare financial contingency plans:** The company regularly monitors cash flow and plans for reserve capital management to prepare for potential emergencies.
4. **Manage capital structure appropriately:** The company adjusts its financing strategies by considering the cost and duration of loans to ensure business continuity and minimize the impact on operating results.

Risk 4 Competitive risks

Related risk topics : Strategic Risk

- Competition risk

Risk characteristics

The factoring business in Thailand has a large number of operators, resulting in intense competition, especially in terms of interest rates and fees. This could pressure the company's net interest margin. In addition, increased competition may also result in more choices for customers, requiring the company to adjust its strategies to retain its customer base and enhance its competitiveness.

However, market competition also contributes to the growth of factoring credit. This is because it allows small and medium-sized enterprises (SMEs) to become more familiar with and understand the factoring business, which may lead to an expansion of the customer base in the long term.

Risk-related consequences

- **Pressure on Net Interest Margin:** Intense competition may force the company to lower interest rates and fees to attract customers, resulting in lower operating profits.
- **Difficulty in expanding the customer base:** If the company is unable to adapt to the competition, it may lose customers to competitors who offer better terms.
- **Financial and operating costs may increase:** The company may need to invest further in technology or service development to enhance its competitiveness, resulting in increased costs.
- **Risk to customer loyalty:** If customers find that other service providers offer better deals, they may switch to competitors' services, resulting in the company having to develop strategies to retain its customer base.

Risk management measures

1. **Focus on potential small and medium-sized enterprises (SMEs):** The company focuses on serving customers who are suppliers of trade debtors in various industries, which have a continuous need for factoring.
2. **Effective risk management:** Select customers with good financial potential to reduce the risk of non-performing loans (NPLs) and maintain the quality of the loan portfolio.
3. **Develop technology and service processes:** Use digital technology to increase convenience, speed, and reduce business operating costs, including adapting services to suit current customer behavior.
4. **Provide customer-centric services:** Develop service approaches that can be customized to the specific needs of each customer group to differentiate them from competitors.
5. **Maintain close relationships with customers:** Provide useful advice and suggestions to customers to increase trust and build customer loyalty.
6. **Use the company's strengths as a competitive advantage:**
 - Expertise in factoring business: With over 25 years of experience, the company can provide accurate advice and meet customer needs precisely.
 - Strong risk management: Selecting potential trade debtors to reduce credit risk.
 - Digital technology development: Using technology to increase convenience, reduce costs, and modernize services.

Risk 5 Information Technology Risks

Related risk topics : Operational Risk

- Information security and cyber-attack

Risk characteristics

The company prioritizes developing information technology systems to support operations and enhance service efficiency. However, the factoring business relies heavily on information systems, exposing the company to risks related to system stability, availability, and data security. System disruptions or cyberattacks could directly impact business operations.

Furthermore, cyberattacks are on the rise and becoming increasingly sophisticated, such as ransomware attacks or data breaches, which could impact customer data and the company's credibility.

Risk-related consequences

- **Impact on business continuity:** If the company's information system fails, it may disrupt the lending process and customer service, affecting business efficiency.
- **Risk of data loss or unauthorized access:** In the event of a cyberattack, customer data may be stolen or misused, affecting customer confidence and the company's reputation.
- **Cost of system and data recovery:** Addressing cyber threats may require additional resources and budget, such as recovering data from malware attacks or strengthening security systems.

- **Risk of violation of legal requirements and data protection standards:** If data is leaked, the company may be investigated and held liable under the Personal Data Protection Act (PDPA) or international data security standards.

Risk management measures

- 1. Continuously develop and improve information technology systems:** The Company invests in developing Core Factoring and E-Factoring to be stable and support continuous operations, along with providing specialized experts to take care of the system structure and database.
- 2. Establish an information system security policy (IT Security Policy):** The Company complies with international standards for data security, such as the use of Firewalls, Intrusion Detection Systems (IDS), and Data Encryption.
- 3. Implement data backup and system recovery (Disaster Recovery Plan):** The Company formulates a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) to be able to quickly recover systems and data in case of unforeseen events.
- 4. Use network and server backup systems:** The Company improves Network Redundancy and Server Redundancy structures to enable the system to operate continuously, even in the event of hardware or network problems.
- 5. Continuously monitor and monitor cyber threats:** The Company has a team that monitors and inspects the security of information systems, including conducting Penetration Testing and training employees on cybersecurity to raise awareness and reduce the risk of cyberattacks.
- 6. Comply with data security laws and standards:** The Company places importance on complying with the Personal Data Protection Act (PDPA) and the ISO 27001 standard to ensure that data is protected according to international standards.

Risk 6 Reliance on Personnel Risk

Related risk topics : Operational Risk

- Reliance on employees in key positions

Risk characteristics

The company recognizes its employees as the primary resource driving the business towards its goals. However, relying on specific personnel, especially in key positions or those with specialized expertise, may expose the company to risks in the event of key personnel departures, a shortage of skilled personnel, or time-consuming recruitment processes.

The lack of skilled personnel could impact organizational efficiency and hinder the continuous transfer of knowledge, potentially leading to delays in business operations.

Risk-related consequences

- **Impact on business continuity:** If key personnel leave without a succession plan, certain positions may lack capable management, resulting in slower or disrupted operations.
- **Reduced competitiveness:** If companies are unable to attract and retain talented individuals, they may lose their competitive edge in the market.
- **Increased recruitment and development costs:** The loss of highly skilled personnel may require companies to spend significant time and resources on recruiting and training new employees.
- **Loss of critical organizational knowledge:** Without knowledge transfer from experienced personnel to newer employees, companies may lose valuable knowledge and practices.

Risk management measures

- 1. Establishing a Succession Plan:** The company plans for personnel replacement in key positions by identifying high-potential individuals and developing their skills to assume those roles in the event of changes.
- 2. Continuous development of personnel skills and potential:** The company regularly organizes training programs, competency development courses, and skill enhancement activities for employees to ensure their readiness to adapt to industry changes.
- 3. Promoting teamwork and knowledge sharing within the organization:** Organize monthly Knowledge Sharing activities to enable personnel to exchange experiences, enhance skills, and stimulate collaborative learning.

4. Fostering an organizational culture that promotes personnel growth: The company focuses on creating a work environment conducive to learning, employee engagement at all levels, and teamwork to reduce reliance on specific individuals.

5. Retaining and developing high-potential personnel: The company has a policy of developing career paths and providing advancement opportunities for high-potential personnel to create work motivation and retain personnel for the long term.

Risk 7 Corruption risks

Related risk topics : Operational Risk

- Corruption

Risk characteristics

The company operates under the principles of good governance and transparency. However, factoring loans involve credit analysis processes, document verification, and financial transactions, which can be channels for fraud, corruption, or unfair business practices if there is no strong internal control system.

Potential risks include falsification of trade documents, provision of false information in loan applications, collusion between employees and external parties, or abuse of authority for personal gain, which could affect the company's reputation, credibility, and stability.

Risk-related consequences

- **Financial damage and increased bad debts:** If fraud occurs in loan disbursement, the company may face financial losses from lending to customers who are unable to repay their debts, resulting in increased loan loss provisions.
- **Risk to the reputation and confidence of shareholders and customers:** Fraud or corruption can cause the company to lose credibility, resulting in customers, partners, and investors losing confidence in the company.
- **Impact on compliance with laws and business standards:** If the company fails to control fraud, it may be investigated or prosecuted, affecting its business status and potentially leading to fines or legal penalties.
- **Unfair work environment and lack of good corporate culture:** Without effective anti-fraud measures, some employees may exploit improper channels for personal gain, affecting organizational culture and overall work efficiency.

Risk management measures

- 1. Establishing a Clear and Transparent Internal Control System:** The company has customer identification measures, credit approval considerations based on credible documents and financial information, and appropriate credit approval authority to mitigate fraud risks.
- 2. Strengthening Trade Transaction Audit Mechanisms:** There are inspections of trade documents, confirmation of receivables with trade debtors, and transaction monitoring until the company receives payment to prevent document forgery or inaccurate information.
- 3. Establishing an Anti-Corruption Policy:** The company fosters a transparent organizational culture by establishing an anti-corruption policy and providing a Whistleblower channel for receiving complaints and tips through the company's website.
- 4. Implementing Proactive Measures through Training and Development:** The company provides ongoing anti-fraud training to employees and is considering the use of Data Analytics technology to detect abnormal behaviors that may pose fraud risks.
- 5. Participating in and Certifying Anti-Corruption Standards:** The company has been granted a renewed membership with the Collective Action Coalition Against Corruption (CAC), reflecting its commitment to conducting business with transparency.

Risk 8 Operational risks related to employee conduct

Related risk topics : [Operational Risk](#)

- Human error in business operations

Risk characteristics

Operational risks may arise from human error, process failures, or internal communication breakdowns, potentially leading to subpar loan services and debtor management that deviate from established standards.

Furthermore, the company's operations involve collaboration with business partners, such as trade debtors and financial institutions, necessitating interconnected processes and coordination among multiple parties. Any errors in any step can cause delays and impact the company's efficiency.

Risk-related consequences

- **Impact on data accuracy and operations:** Errors in recording credit data or operational processes can lead to incorrect decisions, affecting the quality of credit management.
- **Increased burden of investigation and problem-solving:** If operational errors occur, additional resources and time may be required to investigate and resolve the issues, potentially reducing business efficiency.
- **Impact on the company's credibility:** Errors in credit management or operational delays can lead to a loss of confidence among customers and partners.
- **Delays in responding to business partners:** If data connectivity between the company and its business partners is inaccurate, it can lead to delays in credit approvals or factoring operations.

Risk management measures

1. **Develop standardized operating procedures and reduce human error:** The company has Standard Operating Procedures (SOPs) and clear guidelines to help reduce human error and encourage employees to adhere to established standards.
2. **Provide continuous employee training:** To enhance skills and knowledge of work processes, reduce errors in business operations, and promote a culture of work efficiency.
3. **Develop and test a Business Continuity Plan (BCP):** The company has established contingency plans for key operating processes and conducts periodic simulation drills to ensure business continuity in emergencies.
4. **Increase accuracy in coordination with business partners:** Guidelines for data verification and transaction confirmation have been developed in collaboration with trade debtors and financial institutions to ensure data accuracy and reduce errors in data linkage.
5. **Improve the management structure to be more efficient:** The company adjusts its work processes and internal communication to be faster and more accurate to reduce work complexity and increase decision-making efficiency.

Risk 9 Risks of Significant Shareholders' Influence on Management

Related risk topics : [Strategic Risk](#)

- Corporate ownership structure risk

Risk characteristics

The Company's major shareholders are Ira Capital Public Company Limited, which holds 71.55 percent of the paid-up capital, and Summit Corporation Limited, which holds 2.92 percent of the paid-up capital. These major shareholders have the power to control voting at the shareholders' meeting, such as the appointment of directors and decisions on important matters of the Company that require a majority vote.

As major shareholders have influence over the management of the Company, decisions made at the shareholders' meeting may tend to favor the interests of the major shareholder group. This may result in minority shareholders having a limited balancing role in overseeing the Company.

Risk-related consequences

- **Risk of imbalance in management:** Major shareholders may influence decisions that affect the company's direction or strategy, whereby minority shareholders may not be adequately protected.
- **Risk of conflicts of interest:** If major shareholders have influence over the board of directors or management, it may result in decisions that benefit only certain groups, which may affect the interests of minority shareholders.
- **Risks to governance and transparency:** The high level of control by major shareholders may raise questions about the transparency of the company's management, which may affect investor confidence.
- **Risks to the protection of minority shareholder rights:** Minority shareholders may have limited opportunities to express their opinions or participate in important company decisions.

Risk management measures

1. **Appoint independent directors and an audit committee:** The Company has appointed 5 independent directors, 3 of whom serve on the Audit Committee, to oversee the Company's operations in accordance with good governance principles and free from the influence of major shareholders.
2. **Supervise transactions that may lead to conflicts of interest:** The Audit Committee plays a crucial role in reviewing transactions between the company and related parties to ensure compliance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC).
3. **Enhance transparency and good governance:** The Company is committed to operating in the best interests of all shareholder groups by disclosing complete information and holding fair shareholder meetings.
4. **Promote the role of minority shareholders:** The Company values the rights of minority shareholders by providing opportunities to express their opinions and inquire about information related to the company transparently.

Risk 10 Emerging risks arising from climate change and disasters

- Related risk topics : [Strategic Risk](#)
- Climate change and disasters

Risk characteristics

Climate change and natural disasters, such as floods, storms, heat waves, or wildfires, may impact the assets of clients and business partners, causing delays in factoring operations. The resulting damage may lead to liquidity issues for clients, affecting their ability to repay debts and directly impacting the company.

Furthermore, stricter environmental regulations, such as carbon emission requirements or sustainability standards, may increase the company's operating costs and reduce its competitiveness. Additionally, supply chain disruptions caused by disasters may prevent the company's clients from operating smoothly, potentially leading to long-term credit risks.

Risk-related consequences

- **Damage to the customer base and supply chain:** Natural disasters may cause the company's customers to lose liquidity or be unable to continue their businesses, affecting debt payments and the stability of the loan portfolio.
- **Increased operating costs:** Investing in digital systems to support emergency situations, including adapting to environmental standards, may create a higher cost burden.
- **Regulatory risks and environmental requirements:** Changes in regulations regarding carbon emissions or the use of renewable energy may affect business operations and increase the cost of regulatory compliance.
- **Long-term business uncertainty:** Climate change and global warming may lead to unpredictable economic and environmental crises, which may affect the stability of the company and its business partners.

Risk management measures

The company has continuously developed a Business Continuity Management (BCM) framework to ensure business continuity even in

critical situations. The key approaches are as follows:

1. Human Resource Management

- o Developing employee potential: Focusing on learning and developing essential skills to enable employees to perform each other's duties in emergencies.
- o Reducing reliance on a single individual: Building redundancy within teams to mitigate the impact of losing key personnel.

2. Information and Information Technology System Management

- o Establishing a data backup and recovery system (Disaster Recovery Site): Storing data backups both inside and outside the organization to enable rapid data recovery.
- o Maintaining operational system readiness: Backing up data and increasing system capacity to ensure continuous operation in emergencies.

3. Climate Change Risk Management

- o Developing a sustainability strategy: Creating a business plan that considers the impacts of climate change, such as reducing carbon emissions and promoting the use of alternative energy.
- o Managing a sustainable supply chain: Collaborating with partners to enhance flexibility, mitigate disaster risks, and prepare backup resources for emergencies.
- o Building organizational awareness: Training and informing employees about the impacts of climate change and ways to mitigate risks in their daily work.

4. Building an organizational culture that prioritizes business continuity.

- o The company has established clear procedures for operations in each situation and promotes awareness of the importance of BCM among employees and executives at all levels.
- o The company encourages all parties to participate in implementing the business continuity plan to build confidence among stakeholders.

These measures enable the company to adapt and respond to risks from climate change and disasters effectively, creating business stability and maintaining a competitive advantage in the long run.

Risk 11 Environmental, Social, and Governance (ESG) Risks

Related risk topics : Strategic Risk
• ESG risk

Risk characteristics

Factoring businesses face environmental, social, and governance (ESG) risks as they are directly involved in industries that impact the environment and society. Lack of proper oversight can put companies at a competitive disadvantage and reduce credibility with investors and customers.

1. Environmental Risks

- Indirect impacts from customers who may violate environmental regulations, such as using unsustainable resources or exceeding pollution standards, which may affect their ability to repay debts.
- The need to adapt to environmental policies, such as the EU's Net Zero and Thailand's environmental standards, which may increase operating costs.

2. Social Risks

- Societal expectations regarding equality, non-discrimination, and respect for human rights. If the company is perceived as not complying, it may affect the image and trust of customers and society.
- Improper human resource management, such as unfair compensation or lack of employee skill development opportunities, can affect efficiency and employee retention.

3. Governance Risks

- Lack of transparency or non-compliance with regulations may lead to corporate governance risks, such as conflicts of interest or inadequate disclosure.
- Without strong anti-fraud measures, there is a risk to the company's reputation and shareholder confidence.

Risk-related consequences

- **Reduced competitiveness:** Failure to adapt to ESG standards may cause the company to lose business opportunities and limit access to funding sources from investors who prioritize ESG.
- **Increased operating costs:** The need to invest in environmental projects, develop environmentally friendly technologies, or comply with new regulations may increase operating costs.
- **Risks to reputation and the confidence of shareholders and customers:** If the company fails to comply with ESG principles or encounters issues impacting society or governance, it may lose trust from customers, investors, and business partners.
- **Impact on employees and society:** If the company does not prioritize labor rights and employee benefits, it may lead to dissatisfaction within the organization, which affects productivity and the ability to attract talented personnel.

Risk management measures

1. Environmental Risk Management

- Support loans for environmentally friendly businesses, such as clean energy and businesses operating under emission reduction standards.
- Adapt operational processes to be environmentally friendly, such as developing digital systems to reduce resource consumption and promoting a corporate culture that supports efficient energy use.
- Obtain certification from the Thailand Greenhouse Gas Management Organization (TGO) for corporate carbon reduction and pursue higher-level certifications.

2. Social Risk Management

- Implement CSR projects that create value for society, such as supporting small and medium-sized enterprises (SMEs) to have easier access to funding sources.
- Promote equality in personnel management by prioritizing employee welfare, compensation, and skill development opportunities.
- Cultivate an organizational culture that emphasizes transparency and equality, including encouraging employees to participate in social activities.

3. Governance Risk Management

- Utilize an effective internal control system and strictly adhere to the Anti-Corruption Policy.
- Disclose information transparently and comprehensively in the annual report, including other communication channels, to ensure equal access to information for all stakeholders.
- Establish a whistleblowing channel for employees and stakeholders to report any unethical conduct, along with measures to protect whistleblowers.
- Provide governance training to executives and employees to foster an organizational culture that emphasizes integrity and accountability.

These measures enable the company to mitigate environmental, social, and governance risks, enhance business transparency, and promote sustainable growth for all stakeholders.

2.2.2 Risk to securities holders

Are there any risk factors affecting securities holders? : Yes

Risk 1 Risks to equity investors from capital market volatility, economic conditions, and regulatory changes

Related risk topics : [Risk to Securities Holder](#)

- Other : Capital market volatility, economic conditions, regulatory changes

Risk characteristics

Investing in the company's securities may face risks from several factors, such as capital market volatility, economic conditions affecting the company's performance, stock liquidity risk, and regulatory changes that may affect the company's share value.

- **Market Volatility and Economic Conditions:** The stock market may be affected by domestic and international factors such as monetary policy, interest rates, inflation, or political uncertainty, which may cause the company's share price to fluctuate accordingly.
- **Company Performance Risk:** If the company's performance does not meet targets, such as decreased revenue, increased bad debt ratios, or decreased profits, it may reduce investor confidence, resulting in a decline in the share price.
- **Stock Liquidity Risk:** If the company's shares have low trading volume, investors may not be able to buy or sell shares at their desired prices, affecting their ability to profit from the investment.
- **Regulatory Change Risk:** Changes in laws and regulations of the stock exchange or regulatory bodies, such as tax policies or disclosure requirements, may affect investor confidence and share prices.

Risk-related consequences

- **The company's share value may fluctuate:** If the company is affected by the economic climate or negative factors impacting its performance, it may lead to a decline in share price, affecting investor returns.
- **Decreased investor confidence:** If the company is unable to effectively manage economic, performance, or market risks, it may lead to a lack of investor confidence and a decrease in the company's shareholdings.
- **The company's financial costs may increase:** If the company's share price declines, it may affect the company's ability to raise capital through the issuance of new shares or reduce the attractiveness of investment for business partners.

Risk management measures

1. **Manage financial performance to be stable and grow sustainably:** The company implements business strategies by focusing on stable growth, reducing credit risk, and managing costs effectively to generate good financial performance and meet targets.
2. **Increase transparency in information disclosure to investors:** The company adheres to good corporate governance principles and discloses important information that may affect investors' decisions, such as financial performance, business plans, and risk management, through annual reports and shareholder meetings.
3. **Promote stock liquidity and maintain investor confidence:** The company focuses on building continuous relationships with investors through Investor Relations activities to provide accurate and up-to-date information, as well as promoting long-term shareholding to enhance stock liquidity.
4. **Monitor and adapt to changing regulations and economic conditions:** The company monitors capital market news and trends, and adjusts its management strategies to comply with relevant laws and regulations to ensure that the company can operate continuously and mitigate potential risks.

These measures enable the company to manage investment risks effectively, mitigate potential impacts on the value of securities, and build long-term investor confidence.

2.2.3 Risk to securities holders from investing in foreign securities (applicable to only foreign companies)

Are there any risk factors affecting securities holders : No
from investing in foreign securities?

3. Sustainable Development

3.1 Policy and goals of sustainable management

Sustainability Policy

Sustainability Policy : Yes

Sustainability Policy Overview

The Company operates its business under the principle of "Synergizing Values, Building Business Partnerships, Supporting Easy-to-Access Financial Support with Comprehensive Financial Innovations for Sustainable Growth Together." The Company places importance on creating business value while developing society and the nation through its operational approach based on Environmental, Social, and Governance (ESG) principles to reduce negative impacts on stakeholders and generate stable returns for shareholders. The Company has set sustainability goals in line with the United Nations' Sustainable Development Goals (SDGs), covering three dimensions: Economy and Governance, Society, and Environment, to guide the formulation of strategies and drive the organization towards tangible sustainability. To ensure the effectiveness of sustainability operations,

The Company has established a clear governance structure, from the Board of Directors, the Nomination and Remuneration Committee, the Management, to the specific working groups. The Company has defined management guidelines through materiality assessments, stakeholder engagement, and financial and technological innovation to align with the changing business and social contexts, driving the organization towards stable and sustainable growth in the long term.

Sustainability Governance

To ensure that the Company's sustainability operations are effective, consistent with established policies, and can systematically drive the organization towards sustainable development goals, the Company has established a Sustainability Governance Structure that covers all levels, from the Board of Directors to the operational level, to ensure that sustainability concepts are integrated into the operational processes and organizational culture.

Sustainability Governance Structure and Roles

Board of Directors

- Set policy directions and sustainability strategies and approve operational guidelines through the screening of the Nomination and Remuneration Committee and oversee sustainability activities.
- Oversee the overall sustainability operations to align with the organization's strategies.
- Ensure that operations comply with sustainability standards and create value for stakeholders.

Nomination and Remuneration and Sustainability Oversight Committee

- Consider and screen sustainability policies and strategic guidelines before submitting them to the Board of Directors for approval.
- Support the effective implementation of sustainability guidelines.
- Review and evaluate sustainability performance annually and present the report to the Board of Directors.

Management

- Define strategic directions for sustainability and submit them to the Nomination and Remuneration Committee for consideration and approval.
- Approve sustainability goals and action plans, as well as provide support and guidance in operations.
- Monitor the progress of plans and evaluate operations, reporting to relevant committees at least once a year.
- Appoint specific working groups to manage emerging sustainability issues as appropriate.

Sustainability Working Group

- Develop sustainability goals and strategic plans and present them to the management meeting for consideration.
- Coordinate and support various departments in implementing sustainability policies.
- Continuously review and improve sustainability practices.
- Communicate progress and prepare sustainability reports annually.

Sustainability Practices

Divided into 3 main aspects: Economy and Governance, Society, and Environment, covering key issues in line with the United Nations' SDGs, as follows:

1. Economic and Governance Practices

- Create sustainable business growth by expanding the customer base and increasing loan transaction volume by no less than 10% per year within an acceptable risk framework.
- Develop innovative financial products and services that are accessible and secure.
- Manage risks effectively by considering economic and ESG impacts for the Company's stability.
- Adhere to good governance principles according to CGR standards and strictly comply with the code of business ethics.
- Build a strong financial structure by managing working capital to be sufficient and maintaining an appropriate cost of funds.

2. Social Practices

- Enhance the quality of life of personnel by developing skills, knowledge, and providing appropriate welfare to increase safety and well-being in the workplace.
- Promote social responsibility through CSR projects and collaboration with business partners to develop the quality of life of the community.
- Increase financial opportunities for retail customers by communicating and providing knowledge about access to working capital.

3. Environmental Practices

- Reduce environmental impact by developing E-Factoring services and expanding loan volumes in businesses related to renewable energy and environmental conservation.
- Enhance digital services, reduce paper usage, and minimize customer travel.
- Cultivate environmental awareness within the organization and society by organizing environmental conservation activities and promoting efficient resource utilization.

Sustainability management goals

Does the company set sustainability management goals : Yes

Sustainability Management Goals

1. Economic Dimension and Good Corporate Governance

- Continuous business growth: Increasing loan transaction volume by at least 10% per year within an acceptable risk framework.
- Development of financial products and services: Offering innovative, secure, and customer-centric services.
- Effective risk management: Controlling risks to an appropriate level and in line with the principles of sustainable development.
- Raising corporate governance standards: Complying with CGR 2023 criteria and enhancing transparency in business operations.
- Enhancing financial stability: Managing the financial structure to be strong and support long-term business growth.

2. Social Dimension

- Enhancing the quality of life of employees: Providing appropriate welfare benefits, creating a safe work environment, and promoting well-being.
- Employee development: Providing continuous training and skills development to keep pace with industry changes.
- Promoting social responsibility: Participating in community development and supporting activities that create social value.
- Increasing financial opportunities for small entrepreneurs: Providing knowledge and publicity about sources of working capital to promote access to financial services.

3. Environmental Dimension

- Reducing resource consumption and promoting digital solutions: Expanding E-Factoring services and reducing the use of physical documents.
- Supporting environmentally friendly industries: Increasing the proportion of loans that support renewable energy and businesses that promote sustainability.
- Promoting environmental awareness: Cultivating the concept of efficient resource utilization and supporting environmental conservation activities.
- Reducing environmental impact: Improving business operations to reduce corporate greenhouse gas emissions.

United Nations SDGs that align with the organization's sustainability management goals	: Goal 1 No Poverty, Goal 2 Zero Hunger, Goal 3 Good Health and Well-being, Goal 4 Quality Education, Goal 5 Gender Equality, Goal 6 Clean Water and Sanitation, Goal 7 Affordable and Clean Energy, Goal 8 Decent Work and Economic Growth, Goal 9 Industry, Innovation and Infrastructure, Goal 10 Reduce Inequalities, Goal 11 Sustainable Cities and Communities, Goal 12 Responsible Consumption and Production, Goal 13 Climate Action, Goal 14 Life below Water, Goal 15 Life on Land, Goal 16 Peace, Justice and Strong Institutions, Goal 17 Partnerships for the Goals
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Review of policy and/or goals of sustainable management over the past year

Has the company reviewed the policy and/or goals of sustainable management over the past year : Yes

Has the company changed and developed the policy and/or goals of sustainable management over the past year : No

In 2027, the company has placed importance on developing and improving its sustainability approach to be clearer and more concrete. The company focuses on operations that are in line with ESG (Environmental, Social, and Governance) principles and international standards to create sustainable outcomes in terms of the environment, society, and governance.

The company has reviewed and set sustainability goals to be more comprehensive and systematic, including setting clear frameworks, guidelines, and targets, improving reviewed work plans and policies, and enhancing stakeholder engagement. This ensures that all stakeholders can play a role in driving the organization towards sustainability.

In the past year, the company has implemented important measures, including setting a timeframe for obtaining Carbon Footprint Organization certification, expanding the scope of green loans, enhancing ESG knowledge development for the board of directors, executives, and employees, as well as implementing sustainability projects that promote awareness among employees and stakeholders. These actions reflect the company's commitment to being an organization that conducts business responsibly and sustainably in the long term.

Details are as follows:

1. Establish a clear sustainability framework, guidelines, and goals.

To make the company's sustainability efforts more tangible, the company has established a clear framework in various areas as follows:

- **Set a timeframe for greenhouse gas emissions:** Set a target to apply for Carbon Footprint Organization certification in February 2028.
- **Improve Green Loan Target:** Expand the scope of lending to support businesses that have a more positive impact on the environment.
- **Set a target for training the board of directors, executives, and employees:** Set a target for Build knowledge and understanding about the importance of the environment, society, and good governance for the board of directors, executives, and employees at all levels.

2. Implementation of reviewed work plans/policies

To ensure tangible results from its sustainability efforts, the company has implemented the following revised work plan:

- **Greenhouse Gas Data Collection:** Hiring experts in greenhouse gas emissions as consultants and training instructors for relevant employees to ensure that each department collects relevant data accurately and completely. Data collection on greenhouse gas emissions will begin from January to December 2027, with 2027 set as the base year for setting quantitative targets for greenhouse gas reduction in the future.
- **Carbon Footprint Organization Certification Application:** Prepare for the Carbon Footprint Organization's verification and certification process. The goal is to receive certification by early 2028.
- **Arrangement of ESG Training Course:** Organize an ESG knowledge course for the board of directors and executives, which was held in March 2027. Arrange for employees at all levels to attend the ESG course through SET E-learning between March and May 2027 to create an organizational culture that aligns with sustainability principles.

3. Enhancing Stakeholder Engagement

The company places importance on the participation of employees and stakeholders in driving sustainability policies. Activities are carried out to promote understanding and awareness in the form of joint activities. **at Baan Klang Nam, Bang Bo District, Samut Prakan Province** This activity allows employees and executives to learn about carbon emissions and sequestration from experts. They also participate in garbage collection and boat rowing to observe nature, fostering a deeper understanding of the value of natural resources and their impact on the overall environment.

3.2 Management of impacts on stakeholders in the business value chain

3.2.1 Business value chain

The company operates its lending services with a commitment to creating value for stakeholders across all parts of the value chain. By integrating digital technology with effective risk management standards, customers and partners can access transparent, fast, and secure funding sources.

The company's value chain structure is designed to encompass key processes, from customer acquisition, funding, credit assessment, loan operations and monitoring, to customer care and after-sales service. The goal is to enhance service efficiency and comprehensively meet stakeholder needs. The company's value chain is divided into 8 interconnected core activities: Customer Acquisition, Funding, Marketing, Credit Assessment, Loan Operations, Payment & Settlement, Customer Relationship Management, and After-Sales Service. Each process plays a crucial role in supporting the business to operate stably, while building confidence among customers and business partners.

The company prioritizes sustainable value chain development by focusing on the integration of digital technology and ESG (Environment, Social, and Governance) practices into its operations to reduce costs, increase efficiency, and minimize environmental impact. The company also prioritizes financial risk management to ensure its stable long-term growth while benefiting the overall economy and society.

Business Value Chain Structure

The core activities in the company's value chain consist of 8 workgroups:

1. Customer Acquisition

- o Identifying target customer groups seeking loans.
- o Utilizing digital marketing strategies and online platforms to reach customers.
- o Analyzing market trends and customer behavior.

2. Funding & Capital Management

- o Managing funding sources to align with the business structure.
- o Securing funding from banks, investors, and business partners.
- o Managing financial costs and liquidity to support business growth.

3. Marketing & Branding

- o Developing and implementing marketing strategies to increase brand awareness.
- o Utilizing digital marketing and online platforms to create customer accessibility.
- o Building the company's credibility in the financial industry.

4. Credit Assessment & Risk Evaluation

- o Analyzing customers' debt repayment capabilities. The company plans to utilize machine learning.
- o Developing a credit screening system to be more accurate and efficient.

5. Loan Operations & Disbursement

- o Ensuring efficient loan approval and contract document management.
- o Verifying loan terms and conditions to meet established standards.
- o Developing a platform for customers to track loan status in real-time.

6. Payment & Settlement Process

- o Processing debt collection from customers and transferring funds to partners.
- o Utilizing advanced information technology to enhance transaction security.
- o Improving the payment process to be faster and more accurate.

7. Customer Relationship Management

- o Providing financial and loan management advice to customers.
- o Implementing a payment reminder system and providing debt management advice.
- o Developing a customer relationship management plan.

8. After-Sales Service & Support

- o Providing customer support and problem resolution after loan disbursement.
- o Gathering customer feedback to improve service delivery.
- o Closely monitoring credit utilization.

Process for enhancing efficiency in the value chain.

The company focuses on sustainable value chain management, prioritizing operational efficiency, building partnerships, and conducting business under ESG principles. These are crucial factors that enable the company to compete and grow sustainably in the long run.

1. Enhancing Operational Efficiency

The company leverages technology to enhance accuracy, speed, and cost reduction in the lending and risk management processes, with the following approaches:

- Utilizing advanced information technology to screen customers, analyze credit, and reduce loan portfolio risk.
- Improving E-KYC and digital lending systems to ensure a fast, secure, and transparent identity verification and loan disbursement process.
- Developing an end-to-end online lending platform to enable customers to apply for loans, receive approvals, and manage loans conveniently through an automated system.
- Strengthening cybersecurity systems to prevent financial fraud and enhance customer confidence.

2. Promoting collaboration with business partners (Strategic Partnership Development).

The company places importance on expanding its business partner network and developing joint financial solutions to enhance the potential of the company and its partners to grow together.

- Expanding the business partner network with government organizations, private sectors, financial institutions, and digital platforms to support comprehensive financial solutions.
- Developing a mutually beneficial strategy to build trust and enhance the potential of partners and the company for stable growth.
- Establishing a Supply Chain Finance Program to provide SMEs and operators in the supply chain with financial liquidity and enable them to operate their businesses with stability.
- Supporting green finance initiatives by offering special interest rates to businesses undertaking projects that reduce greenhouse gas emissions.

3. Sustainable & Responsible Business Practices

The company recognizes its responsibility towards the environment, society, and corporate governance (ESG) by incorporating these practices into its business processes.

- Selecting business partners with an emphasis on companies that operate ethically, transparently, and with social and environmental responsibility.
- Utilizing Carbon Footprint Reporting to analyze and reduce greenhouse gas emissions from business operations.
- Supporting clean energy projects such as the use of renewable energy in offices, paper reduction, and the use of digital technology to reduce waste from work processes.
- Integrating Circular Economy concepts by supporting resource optimization and promoting recycling within the organization.

Sustainable supply chain management.

The company prioritizes Supply Chain Management, utilizing "Sustainability and Efficiency" as key strategies to strengthen its factoring business, including other financial services, to support SME customers and large organizations.

The company is committed to enhancing efficiency in all processes within the supply chain to maximize benefits for business partners, customers, and society through financial technology (FinTech) and ESG (Environment, Social, and Governance) principles.

1. Developing a Sustainable Supply Chain Structure

Strategic Partnership & Ecosystem Development

- Expanding the partner network with financial technology (FinTech) companies, financial institutions, and industry sectors to support lending and capital management.
- Developing a digital financial platform that can connect credit information of SMEs and corporate clients to facilitate easy and fast access to capital.

Reducing risk and increasing transparency in the financial supply chain.

- Planning to utilize machine learning for customer credit analysis to reduce portfolio risk and enhance transparency and security in financial transactions.

Supporting financial projects for environmentally friendly businesses (Green Finance & ESG Lending).

- Providing special loans to businesses operating under ESG standards, such as those using clean energy or having carbon reduction policies.
- Collaborating with partners to develop a Supply Chain Finance for Green Businesses program to promote funding for environmentally conscious businesses.

2. Sustainable Lending and Financial Support Management

Enhancing the efficiency of the lending system.

- Utilizing advanced information technology to assess the financial potential of SME and large corporate customers.
- Increasing the speed and accuracy of the loan disbursement process through an automated digital system.
- Implementing E-KYC and digital identity verification systems to streamline processes and enhance security.

Financial support programs to promote high-potential businesses.

- Developing a Supply Chain Finance system to provide service providers with easier access to capital.
- Providing digital factoring loans that help businesses increase liquidity faster.
- Enhancing access to low-interest loans for businesses operating under ESG and Circular Economy standards.

3. Sustainable Supply Chain & ESG Commitment

Leveraging technology to reduce carbon emissions in the financial supply chain.

- Utilizing cloud computing and paperless transactions to reduce paper and energy consumption in the lending process.
- Reducing office energy consumption by opting for Green Building and LEED-Certified Office Spaces.

Supporting business partners that operate under ESG principles.

- Collaborating with financial institutions and regulatory agencies to promote ESG standards in the business sector.

Providing loans for clean energy projects (Clean Energy Finance).

- Establishing a Green Loan Program to support businesses seeking to invest in clean energy.
- Supporting investments in environmentally friendly technologies, such as solar energy and EV infrastructure.

4. Enhancing Stability in the Financial Supply Chain

Utilizing digital innovation to bridge the financial gap.

- Developing an end-to-end digital lending platform.
- Integrating systems with partner platforms to provide seamless financial services.

Developing ethical standards in the financial supply chain.

- Establishing a Supplier Code of Conduct to ensure partners adhere to good governance standards.

Defining Material Sustainability Issues

The company prioritizes sustainable business development based on the Global Reporting Initiative (GRI) standards, an international framework for identifying material sustainability issues. Although the company has not yet fully adopted international standards, it has studied and referenced relevant frameworks and practices to define a practical sustainability approach in the initial phase. This includes guidelines from the Stock Exchange of Thailand (SET) that encourage companies to operate sustainably, practices from companies in the financial and factoring industry to adapt to the company's context, and ESG policies and regulations from regulatory agencies related to the financial sector. This is in conjunction with managing business risks and opportunities to create value for stakeholders appropriately.

Materiality Assessment Process

Identifying Material Sustainability Issues

The company employs a Double Materiality Assessment approach, considering both financial impact and sustainability impact, following these steps:

Analyzing sustainability trends related to the industry. : Studying internal and external data, such as

- Government policies and regulations related to the lending and factoring business.
- ESG standards in the financial industry from competitors and financial institutions.
- Stakeholder needs and expectations, such as investors, customers, and business partners.

Stakeholder Information Collection to identify key issues; The company gathers information from key stakeholder groups, such as:

- Board of Directors and Management Strategic and Investment Perspective
- Investors and shareholders Transparency and long-term returns.
- Customers and business partners Access to fair and transparent credit.
- Community and Government Compliance with ESG and Green Finance.

Prioritizing Sustainability Issues

The company utilizes a Materiality Matrix to prioritize sustainability issues by considering two main dimensions:

X-Axis: Business Impact



Risks and opportunities that directly impact financial performance.

Y-Axis: Stakeholder Expectations



Importance of issues that customers, investors, and society are interested in.

Monitoring and Reviewing Material Issues

The company conducts a review of Materiality Issues through the Sustainability Subcommittee and obtains approval from the Management Meeting to ensure that the defined issues align with the corporate strategy, meet stakeholder needs, and are practically implementable.

Sustainability Monitoring and Reporting

The company has monitoring and evaluation processes in place to ensure that operations are aligned with the set targets, as follows:

- **Reviewing and Updating Sustainability Issues** at least once a year, including updating Green Loan guidelines based on the situation.
- **Stakeholder Feedback Mechanism** by surveying customer opinions on transparency and satisfaction with lending services and gathering feedback from partners and investors to improve ESG approaches.
- **Sustainability Disclosure & Reporting** Sustainability Report under the section "Driving Business for Sustainability" in the 56-1 One Report.

Issues Affecting Sustainability Performance

Economic Dimension and Good Corporate Governance

1. Company Performance
2. Innovative products that meet the needs of customers in the digital age.
3. Enterprise Risk Management and Governance
4. Compliance with trade terms and bank conditions.
5. Sourcing business partners that benefit the company's business.
6. Labor Management and Labor Relations
7. Controlling Cybersecurity and Data Privacy in financial services.

Social Dimension

1. Treating competitors fairly.
2. Supporting SMEs' access to funding sources.
3. Developing Supply Chain Finance to assist SMEs operating under ESG principles.
4. Anti-corruption
5. Social Risk Management

Environmental Dimension

1. Lending services for businesses that are socially and environmentally responsible.
2. Environmental Risk Management

Materiality Assessment Results

Sustainability issues that will have the most significant impact on the business and stakeholder expectations (High Impact).

1. Fairness and Transparency in Lending (Responsible Lending & Financial Transparency)

- Promoting good governance and fraud prevention.
- Utilizing technology in credit assessment to reduce bias and enhance fairness in lending.

2. Green Business Support and Sustainable Loan Products

- Providing loans to businesses that reduce carbon emissions.
- Developing Supply Chain Finance to assist SMEs operating under ESG principles.

3. ESG Risk Management & Compliance

- Controlling Cybersecurity and Data Privacy in financial services.

Materiality Management Approach

1. Fairness and Transparency in Lending (Responsible Lending & Financial Transparency)




◆ Objectives:

- Establishing transparent and fair lending standards that minimize bias risks.
- Preventing fraud and promoting good governance in business operations.

◆ Current Operations:

- Employing clear and consistent loan evaluation criteria.
- Providing channels for customers to file complaints if they encounter problems with loan considerations.
- Training employees on fair lending practices and bias mitigation.

◆ Action Plans:

-  Reviewing and improving lending criteria to align with good governance principles.
-  Developing channels for customers to conveniently track loan application status.
-  Increasing training for loan officers on fair lending standards.

2. Green Business Support and Sustainable Loan Products



◆ Objectives:

- Supporting businesses that have carbon reduction approaches and operate under ESG principles.
- Developing loan products that support sustainable businesses.

◆ Current Operations:

- Offering special interest rate loans for businesses operating under ESG guidelines.
- Offering loan programs for businesses that utilize clean energy or develop environmentally friendly projects.

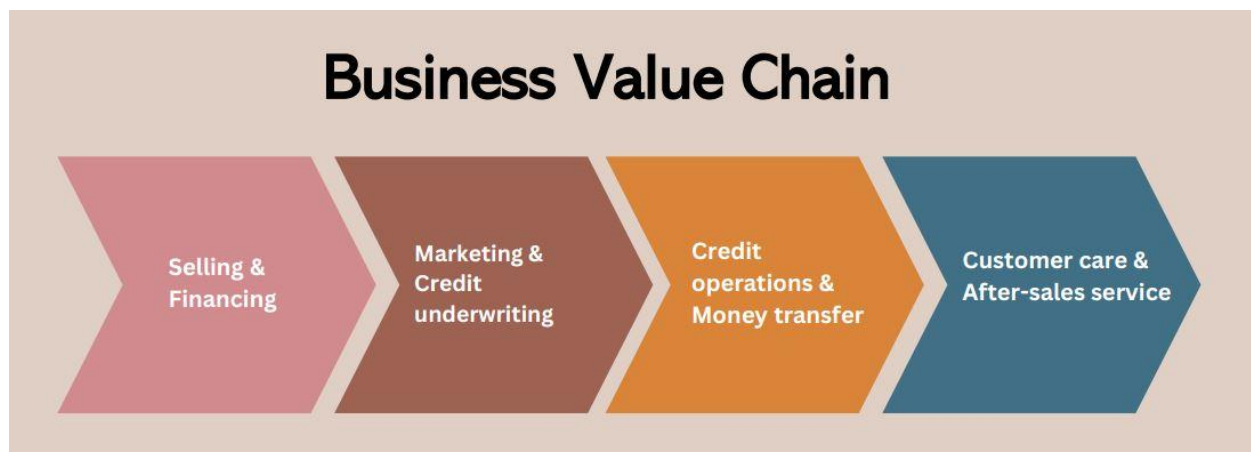
◆ Action Plans:

-  Collaborating with partners to develop loans that meet the needs of sustainable businesses.
-  Encouraging customers classified as green businesses to access special interest rate loans.

3. ESG Risk Management & Compliance

- ◆ **Objectives:**
 - Enhancing ESG risk management measures in operational processes.
 - Protecting customer data and enhancing cybersecurity.
 - Prioritizing compliance with ESG laws and regulations.
- ◆ **Current Operations:**
 - Establishing customer data protection measures in accordance with the Personal Data Protection Act (PDPA).
 - Implementing a cybersecurity threat prevention system and continuous risk monitoring.
 - Monitoring and tracking the ESG impact of the company and its corporate clients.
- ◆ **Action Plans:**
 - 🔧 Developing a data security system that meets international standards.
 - 🔧 Establishing ESG guidelines for customers and business partners.
 - 🔧 Training employees on ESG and related risk management.
 - 🔧 Continuously reviewing and improving ESG policies.

Business value chain diagram



Business Value Chain

3.2.2 Analysis of stakeholders in the business value chain

Details of stakeholder analysis in the business value chain

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
Internal stakeholders			
<ul style="list-style-type: none"> • Board of director • Employees 	<ul style="list-style-type: none"> • Acknowledgment and understanding of the organization's policies, business directions, and operational approaches. • Opportunities for professional development, skill enhancement, and career growth within the organization. • Fair and competitive compensation and benefits packages that align with industry standards. • A supportive system that promotes work-life balance, enabling employees to maintain a healthy equilibrium between their professional and personal lives. • Comprehensive care and support in areas such as health, safety, and job security, ensuring the well-being and stability of employees. • A management approach that prioritizes human rights, equality, and fair opportunities for all individuals within the organization. 	<ol style="list-style-type: none"> 1. Enhance organizational structure and career paths. The company refined its structure to boost efficiency, foster collaboration, and implement KPI-based evaluations. It also developed career paths, talent programs, and succession planning to cultivate future leaders. 2. Improve compensation and benefits. The company established competitive packages using KPI-based evaluations, adjusting salaries and bonuses, benchmarking against industry standards, and enhancing benefits like health insurance and provident funds. 3. Promote workplace health and safety. The company conducted annual health check-ups, promoted exercise programs, and held fire drills to ensure well-being and emergency preparedness. 4. Encourage work-life balance. The company supported flexible work arrangements (Work From Home, Work From Anywhere) and flexible hours to improve efficiency and reduce stress. 5. Develop a succession plan. The company created a Successor Development Plan with leadership programs, job rotation, and mentorship to prepare individuals for key roles and ensure continuity. 	<ul style="list-style-type: none"> • Internal Meeting • Complaint Reception • Training / Seminar • Others <ul style="list-style-type: none"> • Internal platforms (Intranet, Email, Line, Newsletter)

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
External stakeholders			
<ul style="list-style-type: none"> Shareholders 	<ul style="list-style-type: none"> Sustainable business operations with the ability to generate long-term returns Payment of appropriate and consistent dividends Transparent, fair, and auditable business operations Shareholders receive accurate, complete, and timely information to support investment decisions 	<ol style="list-style-type: none"> Provide shareholders with appropriate returns based on company performance, profitability, and dividend policy. Disclose accurate, adequate, and timely information via the Annual Report, 56-1 One Report, company website, and SET filings, ensuring equal access to material information. Conduct business per Good Corporate Governance (CG) principles, emphasizing transparency, fairness, accountability, risk management, and social responsibility. Hold Annual General Meetings (AGM) consistently, allowing shareholders to express opinions, raise questions, and propose business directions to reflect their perspectives. Support proactive shareholder communication through quarterly meetings, Investor Relations Reports, and Opportunity Day participation to build confidence in company growth. Strictly comply with SET and SEC regulations to ensure business operations align with established standards. 	<ul style="list-style-type: none"> Press Release Online Communication Annual General Meeting (AGM) Complaint Reception

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<ul style="list-style-type: none"> Competitors 	<ul style="list-style-type: none"> Conduct business and competition fairly, transparently, and ethically. Exchange constructive ideas to support mutual industry development. Respect trade regulations and fair competition standards. Develop business potential to create a competitive environment that promotes overall industry growth. 	<ol style="list-style-type: none"> Adhere to Fair Competition Principles: Conduct business ethically within trade regulations, avoiding unfair methods for competitive advantage. Respect competitors' rights and refrain from misappropriating trade secrets. Maintain Ethical Business Standards: Avoid distorting or disseminating misleading information about competitors. Comply with fair competition laws and regulatory guidelines on business information protection. Foster Industry Collaboration: Exchange constructive ideas with competitors via business associations or trade forums. Cooperate in developing industry standards to ensure transparency and mutual benefit. Prevent Monopolies & Promote Market Fairness: Support free competition without unjustified barriers. Follow regulatory guidelines and fair competition laws to maintain market balance and equal opportunities. 	<ul style="list-style-type: none"> External Meeting Others <ul style="list-style-type: none"> Participate in meetings of factoring associations and forums to exchange ideas, track industry trends, and enhance business conduct standards.



Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<ul style="list-style-type: none"> • Creditor • Suppliers • Business partners • Financial institution 	<ul style="list-style-type: none"> • Select suppliers transparently and fairly, using clear and verifiable criteria. • Treat all business partners equally and without discrimination. • Strictly adhere to the terms and conditions stipulated in the contract to build trust and sustainable business relationships. • Uphold the principles of good governance and transparency, ensuring no corruption or conflict of interest in the procurement process. • Ensure partners receive agreed-upon compensation within the specified timeframe to facilitate stable business operations. 	<ol style="list-style-type: none"> 1. Establish Transparent Policies & Practices: Implement a Procurement Policy outlining scope, criteria, and processes to ensure standardization, transparency, and accountability. Adhere to Good Corporate Governance, promoting fairness and equality with all partners. Provide clear, accurate, and transparent business communication to support informed decision-making. 2. Strengthen Business Relationships: Organize meetings to foster relationships, exchange ideas, and explore joint business opportunities. Collaborate with affiliates to expand market reach and support new ventures. 3. Ensure Compliance with Trade & Bank Regulations: Operate per trade agreements to build long-term trust. Honor agreements with banks and trade creditors, ensuring alignment with business plans and liquidity. 4. Maintain Financial Discipline: Pay interest and repay loans on schedule to uphold financial credibility and strong creditor relationships. 	<ul style="list-style-type: none"> • Press Release • External Meeting • Annual General Meeting (AGM) • Complaint Reception

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<ul style="list-style-type: none"> • Customers • Others <ul style="list-style-type: none"> • Trade receivables 	<ul style="list-style-type: none"> • Receive accurate, complete, and timely information about the company's products and services. • Access products and services easily, conveniently, and quickly, with reasonable prices. • Have a system to ensure the security of customer information, confidentiality, and privacy. • Receive transparent, fair, and equal services. 	<ol style="list-style-type: none"> 1. Transparent and Fair Communication <ul style="list-style-type: none"> • Establish fair, clear, and easy-to-understand contracts and terms of service. • Provide accurate, complete, and unbiased information about products and services. 2. Confidentiality and Personal Data Protection <ul style="list-style-type: none"> • Maintain strict confidentiality of customer and debtor information. • Refrain from disclosing information to third parties unless consent is obtained from the customer or as required by law. 3. Quality Customer-Centric Service <ul style="list-style-type: none"> • Provide advice on products and services with the customer's best interests in mind. • Deliver prompt and efficient services to support the business agility of customers and debtors. 4. Technological Advancement and Service Accessibility <ul style="list-style-type: none"> • Develop and enhance the efficiency of digital systems, enabling customers to access products and services with ease and convenience. • Leverage digital technology to enhance service delivery and meet customer needs in the digital age. 5. Risk Management and Fraud Prevention <ul style="list-style-type: none"> • Implement a rigorous and systematic approach to credit risk management. • Establish measures to 	<ul style="list-style-type: none"> • Visit • Online Communication • Complaint Reception

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
		<p>prevent business crimes and financial fraud.</p> <p>6. Fair and Equal Service Provision</p> <ul style="list-style-type: none"> • Conduct business with integrity and provide fair services to all customer groups. • Maintain equal service standards for all customers. <p>7. Customer Satisfaction Survey</p> <ul style="list-style-type: none"> • Conduct a satisfaction survey of a sample group of 500 customers to assess quality in three key areas: • Product Factoring - Product suitability, usability, and value. • Service Delivery - Convenience, speed, and efficiency of service. • Trustworthiness - Customer confidence in using the company's services. 	

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<ul style="list-style-type: none"> • Government agencies and Regulators 	<ul style="list-style-type: none"> • Business operations comply with relevant laws, regulations, and rules. • Transparency, verifiability, and good governance standards. • Effective and auditable risk management system. • Promotion of Corporate Governance and responsible business practices. 	<ol style="list-style-type: none"> 1. Compliance with Laws & Regulations <ul style="list-style-type: none"> • Establish policies and SOPs aligned with relevant laws. • Maintain Compliance and Internal Audit Departments to monitor adherence. • Provide ongoing employee training on regulations and requirements. 2. Risk Management & Internal Audit <ul style="list-style-type: none"> • Implement risk management to mitigate operational risks and legal violations. • Conduct periodic internal audits to ensure compliance with standards. 3. Transparency & Auditability <ul style="list-style-type: none"> • Disclose key company information to regulators and stakeholders accurately. • Maintain a traceable document and data storage system. 4. Communication & Collaboration with Regulators <ul style="list-style-type: none"> • Engage regularly with regulators via the Compliance Department to align with evolving requirements. • Participate in audits, policy meetings, and regulatory seminars. • Collaborate with government agencies on industry regulations. 	<ul style="list-style-type: none"> • Online Communication • External Meeting

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<ul style="list-style-type: none"> Others Society and Environment 	<ul style="list-style-type: none"> The company operates with integrity, transparency, and good governance. It supports the development and improvement of the quality of life of the community and society. It plays a role in promoting social activities, including participating in community development. It conducts business with consideration for environmental impacts and participates in the conservation of natural resources. 	<p>1. Responsible and Transparent Business Operations</p> <ul style="list-style-type: none"> Adhering to Corporate Governance principles and combating corruption by joining the Collective Action Coalition Against Corruption (CAC). Supporting and providing loans to businesses that operate with social and environmental responsibility (Sustainable Finance). Collaborating with public and private sectors to support projects that promote sustainability. <p>2. Social and Community Development</p> <ul style="list-style-type: none"> Supporting SMEs and local businesses to access funding sources to strengthen the grassroots economy. Conducting social activities through various projects such as: <ul style="list-style-type: none"> CSR Outing "Green Tourism" project at Bang Krabao, Samut Prakan, focusing on Low Carbon tourism and community development. Donating money and necessities to schools, hospitals, and underprivileged communities. Organizing volunteer activities for employees to participate in social contributions. <p>3. Environmental Care and Conservation</p> <p>The company prioritizes minimizing environmental impact and promoting efficient resource utilization through the following approaches:</p> <ul style="list-style-type: none">  "Care the Wild - Plant & Protect" reforestation 	<ul style="list-style-type: none"> Social Event Online Communication

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
		<p>project in collaboration with the Stock Exchange of Thailand and the maiA (Association of Listed Companies on Market for Alternative Investment) to plant trees on a 91-rai area in the community forests of Ban Oi and Ban Boen Rung, Rong Kwang District, Phrae Province. This project supports the "Plant & Protect" concept to ensure long-term reforestation success through continuous monitoring. This reforestation effort helps increase green spaces, restore ecosystems, and enhance carbon sequestration potential.</p> <p> Carbon Reduction: Supporting Low Carbon Tourism through CSR activities such as eco-friendly travel and waste reduction at tourist destinations. Promoting energy-saving measures within the organization, such as switching to LED lights and energy-efficient appliances.</p> <p> Paperless Policy and Resource Reduction: Implementing E-Document and E-Factoring systems to reduce paper usage in work processes. Encouraging employees to follow the Think Before Print approach and use recycled paper.</p>	

3.3 Management of environmental sustainability

3.3.1 Environmental policy and guidelines

The Company, as a financial institution playing a crucial role in supporting the economy and businesses, recognizes its responsibility to conduct business with environmental sustainability in mind. To minimize its impact on natural resources and support the transition to a low-carbon economy, the Company is committed to promoting environmentally friendly business practices. This includes aiming for resource efficiency, reducing greenhouse gas emissions, and supporting environmentally friendly business operations in all processes. Therefore, the Company has established an Environmental Policy to serve as a guideline for the organization and all stakeholders involved.

Environmental policy and guidelines

Environmental policy and guidelines	:	Yes
Environmental guidelines	:	Electricity Management, Fuel Management, Renewable/Clean Energy Management, Waste Management, Biodiversity Management, Greenhouse Gas and Climate Change Management, Others : Procurement

1. Efficient Energy and Resource Management

- Develop a process for receiving financial transaction documents digitally instead of receiving documents that customers must submit themselves.
- Support energy efficiency by installing energy-saving equipment such as LED lights and automatic lighting control systems.
- Promote the use of clean and renewable energy, such as solar power, and buildings certified to environmental standards.
- Regularly maintain and inspect electrical equipment to reduce unnecessary energy consumption.
- Manage the company's vehicle use efficiently to reduce fuel consumption and carbon dioxide emissions.

2. Systematic Waste and Material Reduction

- Promote waste reduction by using the 3Rs approach (Reduce, Reuse, Recycle).
- Encourage the use of digital documents and online platforms for meetings and internal communication to reduce paper usage.
- Manage hazardous waste properly and deliver it to agencies specialized in safe disposal.
- Support the use of environmentally friendly packaging and recycled materials.

3. Greenhouse Gas and Climate Change Management

- Implement measures to reduce greenhouse gas emissions from the company's operations.
- Support carbon offsetting projects such as reforestation or purchasing carbon credits.
- Develop financial products that promote greenhouse gas reduction, such as Green Finance.

4. Promoting Biodiversity and Environmental Conservation

- Support conservation activities such as reforestation and ecosystem restoration.
- Support conservation organizations and projects that promote biodiversity.
- Develop business strategies that minimize impacts on ecosystems and the environment.

5. Environmentally Friendly Procurement

- Support the procurement of environmentally friendly products and services by considering environmental standards such as Green Label or ISO 14001.
- Select business partners and allies that operate according to environmental standards.
- Reduce the use of consumables and support the efficient use of resources.

6. Building an Environmentally Conscious Corporate Culture

- Instill environmental awareness in employees through training programs and sustainability activities.
- Encourage employees and stakeholders to participate in environmental measures.
- Establish communication channels and disseminate information about the organization's environmental practices.

7. Monitoring and Improving Environmental Performance

- Prepare environmental performance monitoring reports and disclose information to the public.
- Set environmental goals and indicators to ensure operations align with the established plan.
- Regularly review and update environmental policies to comply with international regulations and standards.

Review of environmental policies, guidelines, and/or goals over the past year

Review of environmental policies, guidelines, and/or goals : Yes
over the past year

The review of environmental policies, practices, and goals found them to remain unchanged. We are committed to operating within the established framework to continuously promote sustainability and environmental responsibility.

3.3.2 Environmental operating results

In 2024, AIRA Factoring Public Company Limited has carried out the following key environmental activities:

1. Supporting Green Projects: The company has issued new loans under the Green Project with a total value of 778 million baht, an increase of 178 million baht from the previous year, reflecting its commitment to promoting environmentally friendly businesses.

2. Greenhouse Gas Emission Management: The company has collected greenhouse gas emissions data throughout 2024 (January - December) to use as a baseline year for setting future emission reduction targets. Each department was assigned to collect data related to their own greenhouse gas emissions to ensure complete and accurate information. Subsequently, expert consultants summarized the company's greenhouse gas emissions and were verified by an independent auditing firm. The verified data will be used to apply for the Carbon Footprint for Organization label in February 2025.

3. Environmental Knowledge Promotion: The company has organized training and activities to enhance understanding of ESG (Environmental, Social, and Governance) and sustainability for personnel at all levels as follows:

o Board Level: Ira Group organized a training session on "The Importance of ESG for Business Operations" by Dr. Seri Nonthasut. All board members and senior management attended the training.

o Executive Level: The company organized a training session on "Carbon Footprint" by Dr. Saruda Sitthikijpanya, inviting executives from all departments and related employees to attend the lecture to build knowledge and understanding and apply the knowledge to collect the company's Carbon Footprint data.

o Employee Level: The company promotes ESG learning through the SET E-learning online course from March to May 2024 and learning about carbon emissions and storage from external speakers who lectured at the CSR event at Bang Koboua Community, which was held in October 2024. There were 44 employees attending the lecture out of a total of 88 employees, representing 50% of all employees. All employees who attended the lecture signed their names as evidence of their attendance.

4. Promoting Knowledge of Nature Conservation: The company organized an off-site learning activity, taking employees to visit and learn about nature conservation at Bang Koboua Community, Phra Pradaeng District, Samut Prakan Province, which is a Low Carbon Tourism learning center to enhance understanding and awareness in reducing carbon dioxide emissions.

5. Efficient Waste Management: The company has implemented waste sorting before disposal by recycling used paper on both sides, cardboard boxes, and plastic water bottles. As a result, the company was able to sell recyclable waste worth 1,098 baht. This revenue was given as a reward to the cleaning staff to encourage cleanliness and promote sustainable waste management.

6. Plastic Bag Reduction Campaign: Create cloth bags under the "Save Earth Love Dugong" campaign to promote the use of cloth bags instead of plastic bags. Credit officers were assigned to distribute them to customers to jointly reduce plastic waste and conserve the environment.

7. Reducing waste from coffee grounds for environmental sustainability The company promotes the reduction of waste from coffee grounds generated from the fresh coffee brewing process, which is a benefit for employees. The company campaigns through internal e-mail communications to make employees aware of the benefits of coffee grounds, such as using them as fertilizer or odor eliminators instead of throwing them in the trash. As a result, employees are more interested in and bring coffee grounds back home for use, reducing waste and promoting the Zero Waste concept within the organization.

Information on energy management

Energy management plan

The company's energy management plan : No

Plan for efficient energy and resource management

1. Develop a system for purchasing financial transaction documents in digital format.

Goal: Reduce paper usage and customer travel to help conserve energy and resources.

Action:

- Fully implement the E-Factoring system in the second half of 2024 to make transactions fast, secure, and environmentally friendly.

2. Install energy-saving devices to increase energy efficiency.

Goal: Reduce electricity consumption in the office efficiently.

Action:

- Switch to using LED bulbs throughout the office, which reduces energy consumption and increases the lifespan of electrical equipment.
- Campaign for employees to turn off lights and electronic devices in meeting rooms immediately after use.

3. Promote the use of clean and renewable energy.

Goal: Reduce reliance on fossil fuels and use resources sustainably.

Action:

- The office is located in a building designed to use natural light instead of electric light, reducing energy consumption during the day, along with supporting green building standards.

4. Regularly maintain and inspect electrical equipment.

Goal: Prevent unnecessary energy loss and extend equipment life.

Action:

- Establish a plan to inspect and maintain electrical equipment regularly to ensure that all equipment is operating at full efficiency, reducing unnecessary energy consumption.

5. Control the use of company vehicles to reduce carbon dioxide emissions.

Goal: Reduce emissions from travel and promote the use of environmentally friendly vehicles.

Action:

- Switching to hybrid vehicles as company vehicles to help reduce fuel consumption, reduce greenhouse gas emissions, and create sustainability for the organization.

Setting goals for managing electricity and/or oil and fuel

Does the company set goals for electricity and/or fuel : No
management

Performance and outcomes of energy management

Performance and outcomes of energy management : No

The company is committed to efficient energy management by implementing measures to reduce energy consumption and promote the concept of resource optimization, which leads to tangible results as follows:

- **Replace all company vehicles with hybrid vehicles.**

Reduce the use of fossil fuels and help reduce greenhouse gas emissions, making business travel more environmentally friendly.

- **Install LED lights throughout the office.**

Helps reduce electricity consumption, extends equipment lifespan, reduces maintenance burdens, and saves energy costs in the long run.

- **Create an energy-saving culture.**

By campaigning for employees to turn off lights and electronic devices after use, especially in meeting rooms, reducing unnecessary lights being left on.

- **Maximize energy efficiency in the office.**

With measures to turn on lights only in areas where they are being used. In the evening after working hours, areas without employees will have their lights automatically turned off to prevent unnecessary energy consumption.

- **Utilize natural light.**

The office is located in a building designed according to the green building concept, allowing the use of natural light instead of electric lights during the daytime, reducing energy consumption without affecting work efficiency.

- **Maintain electrical equipment regularly.**

Through regular inspection and maintenance plans for equipment, ensuring that all electrical appliances are operating at peak efficiency, reducing energy waste from deteriorated equipment.

Energy management: Electricity consumption

	2022	2023	2024
Total electricity consumption within the organization (Kilowatt-Hours)	0.00	0.00	N/A

Information on water management

Water management plan

The Company's water management plan : No

As the company is a tenant in an office building, there are limitations in directly managing water usage. However, the company has conducted campaigns and raised awareness among employees through internal activities and campaigns to foster an appreciation for the value of water resources.

Setting goals for water management

Does the company set goals for water management : No

Performance and outcomes of water management

Performance and outcomes of water management : No

Water management: Water withdrawal by source

	2022	2023	2024
Total water withdrawal (Cubic meters)	0.00	0.00	N/A

Water management: Water consumption

	2022	2023	2024
Total water consumption (Cubic meters)	0.00	0.00	N/A

Information on waste management

Waste management plan

The company's waste management plan : Yes

The company prioritizes systematic waste and disposal management to promote efficient resource utilization, minimize waste generation, and reduce environmental impact. Clear guidelines are in place as follows:

1. Waste Sorting by Category

The company mandates a waste sorting system in line with the policy of sorting waste before disposal. Waste is categorized into 4 main groups:

- Recyclable waste: Paper, cardboard boxes, plastic bottles.
- General waste: Waste that cannot be recycled.
- Organic waste: Food scraps and biodegradable waste.
- Hazardous waste: Used light bulbs, batteries, electronic waste.

Implementation

- Provide appropriate waste bins for each waste category in easily accessible locations for employees.
- Clearly label waste bins to enable employees to sort waste accurately.
- Designate storage areas for recyclable waste and implement a data recording system for evaluation.

2. Efficient Use of Resources

Implementation

- Encourage employees to use both sides of the paper before recycling.
- Reduce paper usage by utilizing digital documents instead of printing.
- Utilize technology for internal communication to reduce paper waste.

3. Systematic Management of Recyclable and Hazardous Waste

Implementation

- Provide appropriate storage areas for recyclable waste, such as cardboard boxes and plastic bottles, to facilitate collection and transfer to relevant units.
- Establish a system for collecting data on the volume of sorted and recycled waste to assess outcomes and develop improvement strategies.

- Provide a designated disposal area for hazardous waste, such as used light bulbs and electronic waste, in accordance with environmental standards.

4. Cultivating Awareness and Internal Communication

Implementation

- Raise awareness among employees about the importance of waste sorting and proper waste management practices through email communication.
- Disseminate information via email regarding the benefits of coffee grounds to encourage their utilization instead of disposal.

5. Performance Monitoring and Standard Improvement

Implementation

- Regularly monitor and evaluate the organization's waste sorting performance.
- Gather feedback from employees to improve waste management approaches.
- Report on waste reduction and recycling performance to inform future plans.

The company's waste and disposal management plan focuses on efficient waste sorting, resource maximization, standardized hazardous waste management, and promoting environmental awareness among employees. The goal is to minimize environmental impact and foster a corporate culture of social and environmental responsibility.

Setting goals for waste management

Does the company set goals for waste management : No

Performance and outcomes of waste management

Performance and outcomes of waste management : Yes

The company places importance on efficient waste management to reduce environmental impacts and promote environmentally friendly behavior through various projects and measures that help reduce waste and promote concrete recycling.

• Sort recyclable waste to reduce waste to the environment.

The company implements measures to sort waste before disposal by taking used paper, cardboard boxes, and plastic bottles for recycling, which can generate 1,098 baht from the sale of recyclable waste. This income is used as a reward for cleaning staff to encourage them to maintain cleanliness and promote sustainable waste management.

• Campaign to reduce the use of plastic bags through the "Save Earth, Love Dugong" campaign.

The company produces Save Earth, Love Dugong cloth bags to promote the use of cloth bags instead of plastic bags by assigning loan officers to distribute them to customers. This is an invitation for everyone to participate in reducing plastic waste and helping to conserve the marine environment.

• Reduce waste from coffee grounds, promoting the Zero Waste concept.

The company promotes the reuse of coffee grounds instead of discarding them by campaigning through internal E-mail communication to make employees aware of the value of coffee grounds, such as using them as soil fertilizers or deodorizers. As a result, employees are more interested in and bring coffee grounds back home for use, reducing the amount of waste generated and helping to support the Zero Waste concept within the organization.

Waste management: Waste Generation

	2022	2023	2024
Total waste generated (Kilograms)	0.00	0.00	N/A

Information on greenhouse gas management

Greenhouse gas management plan

The company's greenhouse gas management plan : Yes

Year 2024: Collect Scope 1 and 2 greenhouse gas emissions data (baseline data).

Year 2025: Review and certify the organization's carbon footprint by the Greenhouse Gas Management Organization (Public Organization).

Consider setting targets for Scope 1 and 2 greenhouse gas emissions.

Consider plans to expand greenhouse gas emission reductions to Scope 3.

Compliance with principles and standards for greenhouse gas or climate change management

Principles and standards for greenhouse gas or climate change : Thailand Greenhouse Gas Management Organization (TGO) management

Setting greenhouse gas emission goals

The company is currently conducting a study to analyze appropriate approaches for setting greenhouse gas emission reduction targets. This analysis considers business factors, international best practices, and environmental standards to ensure that the established targets are both achievable and aligned with the organization's sustainable growth strategy.

Does the company set greenhouse gas management goals : No

Setting other greenhouse gas reduction targets

Under consideration.

Performance and outcomes of greenhouse gas management

Performance and outcomes of greenhouse gas management : Yes

According to the resolution of the Greenhouse Gas Management Organization (Public Organization) Board of Directors Meeting No. 1/2025, held on February 24, 2025, the company has been registered for the Carbon Label and received the organization's Carbon Footprint Certificate.

Greenhouse gas management : Corporate greenhouse gas emission

	2022	2023	2024
Total greenhouse gas emissions (Metric tonnes of carbon dioxide equivalent)	0.00	0.00	40.49
Total greenhouse gas emissions - Scope 1 (Metric tonnes of carbon dioxide equivalent)	N/A	N/A	26.14
Total greenhouse gas emissions - Scope 2 (Metric tonnes of carbon dioxide equivalent)	N/A	N/A	14.35

Greenhouse gas management: Verification of the company's greenhouse gas emissions over the past year

Verification of the company's greenhouse gas emissions : Yes
List of greenhouse gas verifier entity : ECEE Company Limited

Information on other environmental management

Plans, performance, and outcomes related to other environmental management

The value of loans disbursed to environmentally friendly business projects has grown by 1,197%, from 60 million baht in 2023 to 778 million baht in 2024. This reflects the company's commitment to supporting sustainable and environmentally friendly businesses.

The company's office is located at Spring Tower, an energy-efficient building certified with LEED Gold standard from the United States. This results in efficient electricity and water consumption, reduced waste, and support for environmentally friendly business practices.

Information on incidents related to legal violations or negative environmental impacts

Number of cases and incidents of legal violations or negative environmental impacts

	2022	2023	2024
Number of cases or incidents of legal violations or negative environmental impact (cases)	0	0	0

3.4 Social sustainability management

3.4.1 Social policy and guidelines

AIRA Factoring Public Company Limited is committed to conducting business based on the principles of universal human rights and social justice, in accordance with international standards such as the United Nations Guiding Principles on Business and Human Rights and Good Corporate Governance.

The company places importance on managing sustainability in the social dimension, along with conducting responsible lending businesses, by aiming to meet the needs of customers at all levels, while driving the mission of developing comprehensive products and services. The company operates under the guidelines that consider Environmental, Social, and Governance (ESG) aspects to create a balance between business growth and sustainable social development.

Social and human rights policy and guidelines : Yes

Social and human rights guidelines : Employee rights, Consumer/customer rights, Community and environmental rights, Safety and occupational health at work, Non-discrimination, Supplier rights

Employee Rights

The company places importance on conducting business with social responsibility, adhering to the principles of human rights and fairness in human resource management to create a work environment that is equal, transparent, and respects the dignity of all employees. The company is committed to promoting employee rights under policies and practices that cover 5 key areas: (1) Fair hiring and termination to ensure that employees have equal opportunities and are treated fairly throughout the recruitment and employment process, (2) Fair compensation and benefits by providing appropriate compensation and benefits in line with labor standards and economic conditions, (3) Personnel development through promoting continuous learning and skills development for career advancement, (4) Workplace safety by providing standard safety and hygiene measures and practices, and (5) Establishing a welfare committee and a process for receiving employee feedback to enable employees to express their opinions and participate in determining appropriate benefits.

The practices are as follows:

1. Equal and Fair Employment and Termination

The company conducts hiring and termination of employees based on the principles of equality, transparency, and compliance with labor laws by:

- No discrimination based on gender, nationality, religion, age, disability, economic status, or political opinion.
- Select employees based on their abilities, experience, and qualifications appropriate for the position.
- Having a clear and fair termination policy that considers business reasons or employee performance and provides benefits according to the law.

2. Employee Compensation and Benefits

The company determines compensation and benefits for employees fairly, transparently, and competitively within the industry by:

- Determine compensation by considering the employee's abilities, performance, and responsibilities.
- Not paying wages below the minimum wage according to the law.
- Adjust compensation and benefits according to the economic situation and the company's performance.
- Providing appropriate benefits such as health insurance, provident fund, emergency assistance, and benefits for a good quality of life.
- Support flexible work arrangements (Flexitime and Work from Anywhere) to create a work-life balance.

3. Personnel Development

The company places importance on the continuous development and capacity building of its employees by:

- Organize internal and external training to enhance knowledge and skills.
- Support Knowledge Sharing projects and capacity development activities.
- Set a target for employees to receive at least 6 hours of training per year.
- Support further education and the development of new skills that are beneficial to the organization.
- Have a training evaluation system to make improvements in line with organizational goals.

4. Workplace Safety

The company is committed to creating a safe and healthy work environment for employees by:

- Comply with safety and health standards in the workplace.
- Provide safety equipment and maintain a safe working environment.
- Have measures to prevent accidents and promote workplace safety.
- Conduct annual evacuation and fire drills to prepare for emergencies.

5. Establishment of a Welfare Committee and a Process for Employees to Propose Benefits

The company encourages employees to participate in determining benefits and working conditions by:

- Establish a welfare committee at the workplace to oversee employee rights under the Labor Protection Act.
- Provide employees with channels to express their opinions and suggestions regarding benefits.
- Respect employees' freedom of association and collective bargaining.
- Promote an open work culture and value the opinions of employees at all levels.
- Communicate information about employee benefits and rights transparently and comprehensively.

Consumer/Customer Rights

1. Responsible Financial Services for Customers

Ira Factoring Public Company Limited is committed to providing financial services with transparency, fairness, and adherence to business ethics, considering the best interests of customers and enhancing confidence in using the company's credit services. The company's practices are as follows:

- Adhere to fair financial service standards in accordance with relevant laws and regulations, including guidelines from regulatory agencies.
- Set transparent terms and conditions and fees, and do not charge additional fees or service charges without prior notice to customers.
- Provide accurate and complete product and service information to enable customers to make informed decisions and reduce risks in financial transactions.
- Provide appropriate credit advice by considering the customer's ability to repay and provide advice on debt burden to prevent potential risks.
- Promote equal access to financial services. The company places importance on using technology to enhance service standards to provide customers with a more convenient and fair experience.
- Continuously develop and improve service processes to meet customer needs and enhance the efficiency of fair and transparent credit services.

2. Communicating Information about the Impact of Products and Services to Customers/Consumers

The company recognizes the importance of transparent communication regarding financial products and services, with the following practices:

- Provide complete, clear, and verifiable information about financial products, interest rates, fees, and important conditions that may affect customers.
- Avoid marketing messages that may cause misunderstandings and provide straightforward information about potential risks associated with using the service.
- Develop easily accessible and convenient communication channels for all customer groups, such as websites, applications, telephones, and customer service channels.
- Prioritize transparency in advertising and public relations, avoiding exaggerated claims or potentially misleading customers.

3. Customer Satisfaction Development

The company places importance on continuously improving service quality and customer satisfaction, with the following practices:

- Set service quality standards and improve service processes to ensure a positive customer experience.
- Listen and respond to customer needs by providing a variety of communication channels, such as consultation services, service follow-up, and feedback through customer service, to continuously improve service quality to meet customer needs.
- Establish an effective complaint handling channel that allows for tracking of problem-solving progress.
- Promote employee development and training to enhance professional customer service skills.
- Prioritize fair and transparent resolution of customer complaints by establishing a clear and fair complaint handling process.

4. Protection of Customer Personal Information

The company prioritizes the protection of customer personal information by complying with laws and international standards for data security, as follows:

- Comply with the Personal Data Protection Act (PDPA) and international data security standards.
- Securely store customer information using encryption technology and systems to prevent unauthorized access.
- Establish an employee data access policy, allowing only authorized personnel to access customer personal information.
- Inform customers of their rights to access and manage their personal information and empower them to consent to the use of their information.
- Have a Data Breach Response Plan in place to respond promptly to potential incidents.

Community and Environmental Rights

1. Community and Environmental Engagement

- Promote and support activities to improve the quality of life in the community, such as promoting financial literacy among small and medium-sized enterprises (SMEs) and the general public.
- Support social development projects such as education, community economic empowerment, and vocational skills development projects.
- Collaborate with government agencies and private organizations to support community development through CSR projects that benefit society.
- Promote environmental conservation through volunteer activities such as tree planting projects, waste reduction campaigns, and natural resource conservation.

2. Improving the Quality of Life for People in the Community or Society

- Support community health and well-being projects such as providing knowledge about debt management and supporting small businesses.
- Promote access to funding for potential SME entrepreneurs and small businesses by providing financial advice and developing appropriate loan products.
- Organize activities to promote awareness of social and environmental responsibility among employees.

3. Listening to Opinions and Supporting Community Participation

- Provide opportunities for the community to participate in expressing opinions on potential impacts from the company's business operations through various communication channels such as meetings, seminars, and opinion surveys.
- Build good relationships with the community by organizing consultations and collaborating with community organizations to develop mutually beneficial policies and guidelines.
- Support activities that provide opportunities for the community to participate in sustainability and social development projects.

Workplace Safety and Occupational Health

1. Safety and Occupational Health Management

- The company operates in accordance with workplace safety standards and occupational health requirements that comply with relevant laws and regulations.
- Provide measures to prevent accidents at work and provide employees with a safe working environment.

2. Health and Occupational Health Promotion

- Support employee well-being by providing health promotion programs, annual health check-ups, and appropriate occupational health care.
- Supporting a work environment that promotes employee mental health.
- Support health-promoting activities such as exercise.

3. Emergency Prevention and Management

- Establish an emergency response plan, such as for fires, accidents, or health emergencies, with concrete measures for prevention and impact mitigation.
- Conduct training and emergency drills to ensure employees are prepared and can follow procedures correctly.

Non-Discrimination

1. Treatment of Employees and Job Applicants

- The company recruits, selects, appoints, and promotes employees based on merit and qualifications appropriate for the job position, without prejudice to race, color, religion, gender, age, nationality, social status, disability, or political opinion.
- Provide equal compensation, benefits, and opportunities for training and skills development.
- Support working in an environment free from harassment, bullying, or discrimination in any form.

2. Treatment of Business Partners, Customers, and Other Stakeholders

- Treat business partners and customers with fairness and provide equal opportunities.
- Not give or receive benefits that may lead to discrimination or unfair privileges.
- Encourage and support business partners to conduct business ethically by avoiding discriminatory and unfair practices.

3. Creating an Equal Work Environment

- Encourage employees at all levels to participate in creating an organizational culture that respects and values each other.
- Provide channels for complaints if discriminatory behavior is encountered, and ensure fair and effective investigation and problem resolution.
- Promote activities and projects that help reduce inequality and build understanding among a diverse workforce.

Business Partner Rights

1. Fair Treatment of Business Partners

- Conduct business with fairness, transparency, and ethical conduct towards all business partners.
- Treat business partners with respect, provide equal opportunities, and do not discriminate on the basis of race, religion, gender, age, or social status.
- Avoid conflicts of interest in business dealings and disclose necessary information for business transactions honestly.

2. Transparent and Fair Procurement Process

- The company has a transparent procurement process that provides opportunities for fair competition and complies with relevant laws and regulations.
- Conduct business partner selection based on standard criteria such as quality of goods and services, delivery capabilities, and reasonable prices.
- Not accepting any benefits or gifts from business partners to avoid influence that may affect business decisions.
- Allow unsuccessful bidders to appeal or request relevant reasons.

3. Encouraging Business Partners to Uphold Human Rights

- The company expects business partners to comply with international human rights principles by not using child labor, forced labor, or illegal labor.
- Encourage business partners to conduct business that respects the human rights of their employees and provides a safe and fair working environment.

Compliance with human rights principles and standards

Human rights management principles and standards : Thai Labour Standard: Corporate Social Responsibility of Thai Businesses (TLS 8001-2010) by the Ministry of Labour

Review of social and human rights policies, guidelines, and/or goals over the past year

Review of social and human rights policies, guidelines, and/or : Yes
goals over the past year

In the past year, there have been no material changes to the company's policies, practices, and goals regarding society and human rights. The company continues to operate under the established framework to promote equality, fairness, and respect for human rights.

Human Rights Due Diligence : HRDD

Does the company have an HRDD process : No

3.4.2 Social operating results

Information on employees and labor

Employees and labor management plan

The company's employee and labor management plan	: Yes
Employee and labor management plan implemented by the Company in the past year	: Fair employee compensation, Employee training and development, Promoting employee relations and participation, Safety and occupational health at work

1. Fair Employee Compensation

- Determine compensation based on employee skills, experience, and performance.
- Adjust compensation to be in line with the economic climate and labor market structure to ensure competitiveness.
- Implement a transparent performance evaluation system as a basis for salary and bonus considerations.
- Prioritize comprehensive benefits such as health insurance, provident funds, accident insurance, and other benefits to enhance employee quality of life.
- Implement annual salary reviews based on employee performance using Key Performance Indicators (KPIs).

2. Employee Training and Development

- Provide training programs that align with employee roles and responsibilities.
- Encourage employees to develop skills related to new technologies and industry trends.
- Promote lifelong learning through online courses and specialized development programs.
- Provide opportunities for employees to plan their career development through discussions and consultations with management.
- Implement a system to track and evaluate training outcomes for continuous improvement and alignment with organizational changes.

3. Promoting Employee Relations and Engagement

- Establish effective communication channels for employees to express their opinions and suggestions.
- Organize relationship-building activities, such as annual parties and off-site team-building events.
- Foster an open environment that supports diversity and reduces the gap between management and employees.
- Implement a system for listening to and incorporating employee feedback into organizational operations.

Employee Engagement Plan

- Physical: Improve the workplace to be comfortable and conducive to work.
- Psychological: Foster a positive work environment and job security.
- Relationship: Strengthen relationships between employees and management.

The company has organized activities to promote employee engagement, such as sports and exercise activities, meetings and gatherings between executives and employees, New Year's parties, and team-building activities.

4. Workplace Safety and Occupational Health

- Establish practical and legally compliant safety policies.
- Support health promotion programs, such as annual health check-ups and wellness activities.
- Provide workplace safety training to employees.
- Collaborate with building management to conduct annual fire drills.
- Implement measures to prevent and control disease outbreaks in the workplace to ensure employee confidence.

Setting employee and labor management goals

Does the company set employee and labor management : No
goals

Performance and outcomes for employee and labor management

Performance and outcomes for employee and labor : Yes
management

Workforce Management Performance Results 2024

The company prioritizes fair, transparent, and sustainable human resource management. Our goal is to ensure that all employees receive appropriate compensation and benefits, promote career development and advancement, support positive relationships within the organization, maintain workplace health and safety, and respect the human rights of employees at all levels.

1. Compensation and Employee Benefits

The company implements a compensation policy based on fairness, transparency, and competitiveness within the industry. Compensation is determined by considering employee capabilities, performance, and responsibilities to create motivation and commitment to the organization. Key results include:

- **Annual Salary Adjustment:** The company conducts salary adjustments based on appropriate criteria, considering employee performance, economic conditions, and labor market trends to ensure that employees receive compensation that aligns with the value of their work and their abilities.

- **Performance-**

Based Bonus Payment: The company considers bonus payments based on the overall performance of the company and the performance of employees as a way to reward dedication and boost morale.

- **Employee Benefits:**

benefits **Health and Well-being:** The company provides health insurance, accident insurance, and a provident fund to promote quality of life and long-term security.

Financial Assistance for Various Occasions: Support employees through medical expense assistance, marriage assistance, and emergency assistance.

Flexible Work Arrangements: The company promotes work-life balance through Flexitime and Work from Anywhere programs to enable employees to manage their time effectively.

2. Employee Training and Development

The company prioritizes employee development by focusing on providing employees with appropriate training that aligns with their career advancement to create a skilled workforce, meet business goals, and support the long-term growth of the organization.

- **Investment in Human Capital Development**

The company allocates a budget for employee training and development on an ongoing basis, focusing on providing employees with the knowledge, skills, and experience necessary for effective job performance, including promoting knowledge sharing within the organization.

- **Human Resource Development Plan and Career Advancement**

The company has developed a long-term human resource development plan to support future growth. Employees will have opportunities for training and can develop their potential to grow in career paths that match their abilities.

- **Diverse Learning Formats**

To enable employees to develop themselves effectively, the company has designed training in various formats, including:

Workshop: Provide opportunities for employees to practice their skills through hands-on experience.

Knowledge Sharing: Share experiences from executives and experienced personnel.

Online Learning (E-Learning) : Support flexible learning according to employee schedules.

On-the-Job Training: Encourage employees to learn from real-world work experience.

In 2024, the company collaborated with leading institutions and organizations to provide training to employees at all levels, taking into account the suitability for their job descriptions and positions, to enhance their work potential and prepare them for advancement to higher positions.

Training details are as follows:

External Training

1. Beginning Network Admin Course
2. Certified Information Security Manager Preparation Course
3. Change Management for Digital Transformation Course
4. Keeping Up with New Regulations in Digital Banking and Finance Course
5. Psychology of People Management in Organizations Course
6. Global Marketing Strategies in the Digital Age 5.0 Course, Batch 2
7. EFFECTIVE WORKLOAD ANALYSIS & WORKFORCE MANAGEMENT Course
8. Workshop: PDPA-RoPA, Creating Records of Personal Data Processing Activities, Batch 7
9. Intensive B2B Marketing Strategies Course, Batch 2
10. Basic Data Leak Prevention Course, Batch 1/67
11. ESG Risk Management Workshop
12. "Insights for Growth and Sustainability in the Capital Market" Course, 2nd Edition/2024
13. Sustainable Development Goals for Listed Companies and SDG Impact Standards Course, Batch 1/2024
14. Human Resource Management Profession Act Drafting Course
15. Director Accreditation Program
16. Data Analytics for Internal Auditor Course, Batch 2/67
17. Working Paper for Better Corruption Prevention Course
18. Mastering Cloud Data Center Infrastructure Design and Management Course
19. "Tax Solutions" Course: Addressing Tax Issues from the Revenue Code with Tax Experts
20. CFO Refresher Course 2024
21. "ESG 101: Understanding the Fundamentals of Sustainability P01: Business Sustainability Fundamentals" Course
22. In-Depth Chat GPT Tips and Tricks Course
23. Company Secretary Programme (CSP)
24. Carbon Footprint Fundamentals Course
25. The Importance of ESG for Corporate Operations for the Board of Directors and Executives
26. Human Rights Due Diligence (HRDD) Training under the Ethical Recruitment of Migrant Workers Program
27. Comprehensive Human Rights Due Diligence Workshop
28. IT VISION 2024: Sustainable Tech Course
29. Strategic Board Master Class (SBM), Batch 14/2024
30. Leadership Program on Trade and Development Strategy, Batch 1
31. Effective Leadership Communication Course for Executives
32. AIRA's Digital Transformation for Sustainability Course
33. "Prevention, Deterrence, and Suppression of Inappropriate Conduct by Listed Companies" Course

In-house Training

Orientation Program: This is a mandatory training program for all new employees at all levels. It provides an overview of the company's business operations, relevant regulations, anti-corruption policies, good corporate governance policies, and other essential information.

Training Statistics in 2024:

- Average external training of 5.33 hours per person per year
- Average in-house training of 4.34 hours per person per year
- 100% of employees have received training on the anti-corruption policy and have signed an acknowledgment of receipt.

3. Promoting Employee Relationships and Engagement

The company places importance on creating a positive and collaborative work environment for employees at all levels. We focus on fostering a sense of belonging among employees by strengthening relationships and promoting an open organizational culture. Our key operational guidelines are as follows:

- **Create a conducive work environment (Physical)**

The company prioritizes providing a suitable, pleasant, and performance-enhancing work environment, including improving workspaces for comfort and providing areas for exchanging ideas.

- **Strengthen organizational relationships (Relationship)**

The company encourages employees to build good relationships with each other and promotes open communication between executives, supervisors, and employees at all levels to foster good collaboration within the organization.

Activities to Promote Employee Relationships and Engagement

- **Activities to strengthen organizational culture**

Team Building: Organize activities to strengthen relationships, build unity, and promote teamwork.

New Year's Party: Provide an opportunity for employees at all levels to meet and build relationships.

Off-site CSR Activities: Encourage employees to participate in social contributions, which helps foster a shared sense of goodwill.

- **Information Sharing and Engagement to Build Strong Relationships**

Provide important information such as organizational goals, business direction, and operational strategies to ensure that employees have a shared understanding.

Provide opportunities for employees to express their opinions. Executives are open to suggestions from employees at all levels and use them to improve work efficiency.

Knowledge Sharing Platform: Encourage employees to share useful knowledge and experiences.

- **Activities to build relationships within the organization**

Sports Activities: Promote health and good relationships within the organization, such as football competitions and exercise activities.

4. Workplace Safety and Occupational Health

The company prioritizes creating a safety culture within the organization by focusing on enabling employees to work safely and maintain good hygiene in the workplace. The company has implemented proactive measures to improve the safety of the work environment and continuously promote employee health, which helps build confidence in the workplace and increase workforce efficiency.

Key Safety and Occupational Health Measures

- **Accident Prevention and Workplace Hygiene**

There were no serious work-related accidents in 2024.

- **Disease Control and Employee Health Care Measures**

The company organizes an annual health check-up program for employees at all levels to monitor and prevent health problems. Promote healthy lifestyles among employees through exercise activities.

- **Workplace Safety Measures**

Conduct fire drills and evacuation drills annually to ensure employee preparedness for emergencies.

- **Measures to prevent the spread of infectious diseases**

The company has established guidelines and precautionary measures to prevent the spread of infectious diseases in the workplace. There are procedures for alerting and caring for employees who are infected or at risk.

Safety Statistics and Performance Results 2024

- No serious work-related accidents
- Employees have an average sick leave rate of 4.8 days per year.
- All employees receive annual health check-ups and health advice.
- The company conducts 100% fire evacuation and emergency response drills.

Employee and labor management: Employment

Hiring employees

	2022	2023	2024
Total employees (persons)	84	86	88
Male employees (persons)	38	37	37
Female employees (persons)	46	49	51

Employment of workers with disabilities

	2022	2023	2024
Total employment of workers with disabilities (persons)	0	0	0
Total number of workers who are not employees with disabilities (persons)	0	0	0
Contributions to empowerment for persons with disabilities fund	No	No	No

Employee and labor management: Remuneration

Employee remuneration

	2022	2023	2024
Total employee remuneration (baht)	67,912,017.40	55,910,243.01	59,965,186.37
Total male employee remuneration (Baht)	33,097,449.50	31,381,127.78	33,080,267.78
Total female employee remuneration (Baht)	34,814,567.90	24,529,115.23	26,884,918.59

Employee and labor management: Employee training and development

Employee training and development

	2022	2023	2024
Average employee training hours (hours / person / year)	8.77	8.27	8.87
Training and development expenses for employees (baht)	N/A	N/A	249,688.00

Employee and labor management: Safety, occupational health, and environment at work

Safety, occupational health, and environment at work

	2022	2023	2024
Total number of lost time injury incidents by employees (cases)	0	0	0

Employee and labor management: Employee engagement and internal employee groups

Employee engagement

	2022	2023	2024
Total number of employee turnover leaving the company voluntarily (persons)	23	27	21
Total number of male employee turnover leaving the company voluntarily (persons)	11	16	9
Total number of female employee turnover leaving the company voluntarily (persons)	12	11	12
Proportion of voluntary resignations (%)	27.38	31.40	23.86
	2022	2023	2024
Evaluation result of employee engagement	No	No	No

Employee internal groups

Employee internal groups : Yes

Types of employee internal groups : Welfare committee

Information about customers

Customer management plan

Company's customer management plan : Yes

Customer management plan implemented by the company over the past year : Responsible production and services for customers, Communication of product and service impacts to customers/consumers, Development of customer satisfaction and customer relationship, Consumer data privacy and protection

Guidelines for Providing Loans Responsibly and Responsively to Customer Needs

1. Providing Fair and Transparent Loan Services: The company is committed to providing fair and transparent loan services, complying with financial standards and SEC regulations by disclosing interest rates, fees, and loan terms clearly through all channels to ensure customers have access to accurate and verifiable information. The company also promotes access to credit for SMEs and small entrepreneurs with limited collateral to ensure fairness and equality in accessing funding sources.

2. Utilizing Technology to Enhance Loan Service Efficiency: The company developed the Online Factoring System (E-FAC) to allow customers to apply for and check loan statuses in real-time, reducing processing time and increasing the convenience of accessing financial services. Moreover, Chatbot and Customer Support Online are available 24/7 to provide information and advice promptly.

3. Assisting and Supporting Customers Facing Financial Difficulties: The company has debt restructuring measures in place for customers experiencing liquidity problems but still have business potential to help reduce their financial burden and increase their chances of recovery. Additionally, special low-interest loan programs are available for customers affected by the economic situation to provide access to funding at reasonable rates and mitigate financial impacts.

4. Developing Sustainable Loan Products Aligned with ESG: The company issues environmentally friendly loan products (Green Loans) to support businesses with sustainable practices, promotes loans to businesses that adhere to ESG principles, such as businesses that reduce carbon emissions and utilize renewable energy. The company also establishes an ESG Risk Assessment process to ensure that lending aligns with environmental, social, and governance standards, fostering long-term economic sustainability.

Communicating Information About the Impact of Products and Services to Customers/Consumers

1. Disclosing Complete, Transparent, and Easy-to-Understand Product and Service Information: By preparing documents that provide details about the terms, fees, and potential risks, such as default interest and penalties, and notifying customers in advance of any changes to the terms through various channels. The company also provides advice through trained personnel to help customers make informed decisions and offers channels for customers to inquire or file complaints if they have any doubts.

2. Proactive Communication Through Accessible Channels: The company communicates proactively through accessible and diverse channels such as websites, applications, social media, and call centers to provide customers with accurate and up-to-date information. Additionally, the company utilizes AI Chatbots and automated systems to answer questions regarding loan terms and potential impacts, enabling customers to access information conveniently, quickly, and receive answers 24/7.

3. Transparency in Advertising and Public Relations: The company prioritizes transparency in advertising and public relations by avoiding messages that may cause misunderstandings or mislead. The company has an internal control department that oversees loan advertisements to verify the accuracy of information before publication.

Improving Customer Satisfaction and Strengthening Customer Relationships

1. Listening and Responding to Customer Needs: The company prioritizes listening and responding to customer needs by opening channels for complaints and suggestions through online platforms and customer service centers to resolve issues and improve services quickly and efficiently. Additionally, the company focuses on developing loan personnel to have the skills of expert financial advisors who can provide appropriate advice tailored to customer needs.

2. Developing Customer Relationships: The company is committed to developing customer relationships by offering privileges to existing customers, such as special interest rates or improved loan terms for customers with good payment histories, to foster long-term relationships and build satisfaction.

3. Handling Customer Complaints Fairly: The company places importance on handling customer complaints fairly by establishing a Customer Complaint Center that allows customers to track the progress of problem resolution in real-time. Customers can also file complaints through online channels and track the progress through the company's application to ensure a transparent, efficient, and trustworthy problem-solving process.

4. Managing Feedback, Suggestions, and Complaints

To enhance service quality, the company has established various complaint channels covering both product-related and operational issues to ensure that financial consumers are adequately protected. Furthermore, the company has established guidelines for problem resolution, complaint handling, and efficient and prompt remediation. The company has a dedicated customer relations team responsible for coordinating, monitoring progress, and resolving issues fairly. If a customer expresses dissatisfaction, the company will contact them to obtain further information and use the feedback received to improve service quality. Additionally, the company has a service quality monitoring system that analyzes and records the causes of problems to guide the improvement, development, and enhancement of products and services, as well as continuously and effectively monitoring the problem-solving results.

Protecting Customer Personal Information

1. Protecting Customer Data According to International Standards: The company prioritizes customer data protection in accordance with international standards by utilizing data encryption systems for data storage and transfer to prevent leaks and unauthorized access. Additionally, the company strictly adheres to the Personal Data Protection Act (PDPA) and data security standards to enhance customer confidence in using the services and effectively maintain data privacy.

2. Empowering Customers to Control Their Data: The company empowers customers to control their data by providing online channels for customers to access and modify their personal information at any time. The company also informs customers of their rights under the Personal Data Protection Act (PDPA) and will obtain explicit consent from customers before using their information for marketing or business analysis purposes to ensure customers feel confident and in control of their personal information.

3. Data Breach Prevention and Management Measures: The company has robust data breach prevention and management measures in place, including a Cybersecurity Response Plan to effectively prepare for and respond to data breach incidents. Additionally, the company has established a Cybersecurity Task Force responsible for continuously monitoring, inspecting, and mitigating data threats.

Setting customer management goals

The company aims to Elevate customer experience and build lasting relationships. The company places great importance on building strong relationships and long-term customer satisfaction. Customers who have a positive experience with products and services are more likely to return and recommend the company to others. Therefore, managing customer satisfaction is a crucial strategy that enhances competitiveness and business growth. To effectively measure and improve service delivery, the company has established customer management goals using clear metrics. These metrics encompass product quality, service delivery, and reliability, and are continuously evaluated and developed. The table below illustrates the goals and key indicators used by the company to assess and enhance customer satisfaction levels.

Does the company set customer management goals : Yes

Details of setting customer management goals

Target(s)	Indicator(s)	Base year(s)	Target year(s)
• Development of customer satisfaction and customer relationship	- Product Factory Usage Satisfaction - Service Satisfaction - Trust in Using the Company's Services	2023: Satisfaction score is 70.	2024: Satisfaction score of 80

Performance and outcomes of customer management

Performance and outcomes of customer management : Yes

The company can help SME business operators who cannot access working capital sources from financial institutions to access funding sources and expand their business growth, enabling the company to maintain its core customer base and expand its loan customers. Throughout the past year, there have been no complaints about the use of the company's services and products, including no complaints about personal data protection.

Customer management: Customer satisfaction

Customer satisfaction

	2022	2023	2024
Evaluation results of customer satisfaction	No	Yes	Yes

Information on community and society

Community and social management plan

Company's community and social management plan	:	Yes
Community and social management plan implemented by the company over the past year	:	Employment and professional skill development, Occupational health, safety, health, and quality of life

Workforce Planning and Skills Development

Objectives of the plan

- Develop employee skills to be able to work efficiently and adapt to industry changes.
- Create equal employment opportunities by focusing on diversity in gender, age, and ability.
- Promote continuous learning and development so that employees can grow in their careers.

Activities performed

Employee Skills Development Project

Organize in-house training.

Encourage employees to participate in external training related to their field.

Accept interns to prepare them for the labor market.

Fair Employment and Diversity Support

Support employee participation in expressing opinions and decision-making within the organization.

Expected Results

- Employees receive continuous skills development and can apply it to their actual work.
- Employee turnover rate decreased from the previous year.
- Employees feel secure in their careers and have opportunities for advancement.

Occupational Health, Safety, Health and Quality of Life Plan

Objectives of the plan

- Create a safe work environment and reduce employee health risks.
- Support employees to be able to work efficiently.
- Expand the results of health and quality of life projects from employees to society and communities.
- Enhance employee engagement in social projects related to health and well-being.

Activities performed

• Zero Accident Project

Rehearse emergency and fire evacuation plans at least once a year.

Support community quality of life development projects related to occupational health and safety.

• Employee Health Promotion Project

Provide a free annual health check-up program for employees.

Support exercise activities, such as weekly football sports activities.

Employee Quality of Life Development Project

• Work Flexibility

Adjust working hours to Flexitime by allowing employees to choose their start and finish times as appropriate in 2 periods: 08.30 - 17.00 and 08.00 - 16.30.

Allow employees to Work From Anywhere in case of needing to take care of family members, such as spouses, children, or spouses, who have health needs or need to see a doctor by appointment.

• Improve the work environment.

Relocate the workplace to increase workspace for greater suitability and comfort.

Provide meeting rooms of various sizes to facilitate collaboration.

• Activities to promote relationships and develop skills.

Knowledge Sharing activities every month so that employees can develop knowledge and skills together.

Activities to strengthen relationships between employees, such as recreational sports and team-building activities.

- **Community and social support projects on health and safety.**

Organize projects for employees to participate in developing communities and societies related to occupational health, safety, and well-being, such as participating in donating items to schools.

Support public health and safety projects that benefit society, such as donating money to help hospitals.

Expected Results

- Employees have better health and are happy at work.
- Reduce accidents and employee injury rates.
- Employees have a better work-life balance through flexible work policies.
- Build good relationships between employees and a working atmosphere conducive to development and progress.
- Engage with the community in developing occupational health and safety.

Setting community and social management goals

Does the company set community and social management : No
goals

Performance and outcomes of community and social management

Performance and outcomes of community and social : Yes
management

- Participated in the "Ira for Society Towards Sustainable Development" project with the Ira Group for the 10th consecutive year by donating money to develop and support the activities of Baan Bueng Kradon School (Sirising Uppatham), Chonburi Province, to promote educational quality and the well-being of students.
- Supported education and student potential development by collaborating with the Faculty of Architecture and Design, King Mongkut's University of Technology Thonburi, in promoting the dissemination of work. The project exhibits the theses of 5th-year students to support creativity and develop professional skills.
- Promoted educational opportunities for children with disabilities by supporting the Special Education Center, Lampang Province, in improving service units, developing teaching materials, and assisting children with disabilities to promote learning and develop the potential of children with special needs.
- Supported the King Chulalongkorn Memorial Hospital Foundation under the Royal Patronage to contribute funds for public health missions and medical services to the public.
- Assisted flood victims in the northern region through the "Listed Companies United to Help Flood Victims" project by donating money to the Thai Red Cross Society to alleviate the suffering of those affected by the disaster.

Information on incidents related to legal or social and human rights violations

Number of cases and incidents of significant legal or social and human rights violations

	2022	2023	2024
Total number of cases or incidents of significant legal or social and human rights violations (cases)	0	0	0
Total number of cases or incidents leading to significant labor disputes (cases)	0	0	0

4. Management Discussion and Analysis (MD&A)

4.1 Operation, financial condition and material changes

Operational overview

For the years ended December 31, 2023 and 2022, interest income from factoring amounted to Baht 175.85 million and Baht 173.62 million, or 68.9 and 72.0 percent of total revenues, respectively. Fee and service income was Baht 46.07 million and Baht 50.68 million, or 18.1 and 21.0 percent, respectively. Interest income from other loans amounted to Baht 32.92 million and Baht 15.30 million, or 12.9 and 6.3 percent, respectively. Total revenues were Baht 255.21 million and Baht 241.17 million, respectively. Financial costs were Baht 82.10 million and Baht 63.45 million, or 32.2 and 26.3 percent, respectively. The Company had a gross profit of Baht 174.91 million and Baht 176.74 million, or 68.64 and 73.77 percent, respectively.

Analysis on the operation and financial condition

Operating results and profitability

For the years ended December 31, 2023 and 2022, the Company had administrative expenses of Baht 118.85 million and Baht 115.16 million, or 46.6 percent and 47.8 percent of total revenues, respectively. The allowance for doubtful accounts was Baht 33.39 million and Baht 53.11 million, respectively, or 13.1 percent and 22.0 percent of total revenues. The Company had a decrease in the allowance for doubtful accounts and expected credit losses, and higher financial expenses due to the increase in the Bank's policy interest rate, resulting in a net profit for 2023 of Baht 16.74 million, an increase from 2022 of Baht 9.92 million, or 145.6 percent.

Liquidity and capital adequacy

As of December 31, 2023, shareholders' equity amounted to 517.18 million baht, or 21.5 percent of liabilities and shareholders' equity, a decrease of 15.26 million baht, or (2.9) percent, from the same period last year.

As of December 31, 2023, the Company had a current ratio of 1.20 times and a debt-to-equity ratio of 3.65 times, with an undrawn credit facility of 945 million baht, indicating that the Company has sufficient capital and funding sources, an appropriate financial structure, and liquidity for business operations.

Debt obligations and management of off-balance sheet

The company has lease commitments for office space and service agreements. The lease term is three years with an option to renew upon agreement of both parties. The company has total minimum future payments under non-cancellable operating leases.

Issuance of debt securities with an obligation to maintain financial ratios

Is there an issuance of debt securities with an obligation : Yes
to maintain financial ratios?
Can the Company maintain the financial ratios as : Yes
reported?

4.2 Potential factors or incidents that may materially affect the financial condition or the operating results

Significant factors or incidents that may materially affect the future financial condition or the operating results

In Q4 2024, the Thai economy is expected to continue expanding, driven by tourism and private consumption, which will be further boosted by economic stimulus measures. Exports are also expected to benefit from technology products. However, some uncertainties remain. The general inflation rate is gradually increasing towards the target range, and the policy interest rate, while declining, remains neutral but still at a high level compared to the previous year. Additionally, the political situation remains highly uncertain.

Given the recovering economic outlook, the company has adjusted its operational strategies to accommodate broader business development. This aligns with the Sustainable Development (SD) framework, which drives sustainable business growth by considering Environmental, Social, and Governance (ESG) aspects. This approach will enhance the effectiveness of business operations.

4.3 Information from financial statements and significant financial ratios

Information from financial statements

Summary of financial position statements

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Separate	Separate	Separate
	AUDITED	AUDITED	AUDITED
Assets			
Cash And Cash Equivalents (ThousandTHB)	69,148.62	97,903.33	104,711.59
Trade receivables (ThousandTHB)	2,064,534.90	1,970,783.04	1,824,882.74
Loans receivable due within one year (ThousandTHB)	83,960.16	249,916.22	261,810.47
Short-term loans to related parties (ThousandTHB)	89,861.62	70,000.00	10,000.00
Other receivables (ThousandTHB)	1,212.17	1,276.32	1,740.75
Other Current Assets (ThousandTHB)	673.03	1,161.85	1,226.55
Total Current Assets (ThousandTHB)	2,309,390.48	2,391,040.75	2,204,372.10
Loans to Related Parties - Net of Current Portion (ThousandTHB)	40,342.76	45,729.17	121,461.71
Device (ThousandTHB)	988.94	6,203.16	4,746.31
Right-of-use assets (ThousandTHB)	3,343.85	19,459.10	29,011.16
Intangible assets (ThousandTHB)	5,395.92	5,071.28	3,896.26
Deposit and Collateral (ThousandTHB)	286.82	1,949.99	1,949.99
Deferred Tax Assets (ThousandTHB)	24,549.47	35,006.96	40,560.13
Total Non-Current Assets (ThousandTHB)	74,907.76	113,419.66	201,625.56
Total Assets (ThousandTHB)	2,384,298.25	2,504,460.41	2,405,997.66

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Separate	Separate	Separate
	AUDITED	AUDITED	AUDITED
Liabilities			
Short-term loans from financial institutions (ThousandTHB)	1,690,000.00	1,755,000.00	1,625,000.00
Short-term borrowings from related parties (ThousandTHB)	0.00	90,000.00	90,000.00
Proceeds from the exercise of warrants (ThousandTHB)	61,506.07	48,971.87	49,242.93
Portion of long-term loans due within one year (ThousandTHB)	0.00	0.00	9,925.79
Current Portion Of Lease Liabilities (ThousandTHB)	2,382.40	9,432.86	8,879.03
Creditor (ThousandTHB)	22,440.55	23,671.09	30,852.58
Other creditors (ThousandTHB)	6,432.80	9,505.61	12,958.78
Income Tax Payable (ThousandTHB)	6,187.88	5,467.67	2,890.54
Other Current Liabilities (ThousandTHB)	2,016.43	1,256.05	1,348.71
Total Current Liabilities (ThousandTHB)	1,842,166.13	1,943,305.15	1,831,098.35
Long-term loans - net of current portion (ThousandTHB)	0.00	0.00	16,904.64
Non-Current Portion Of Lease Liabilities (ThousandTHB)	1,027.95	11,703.40	22,695.20
Provisions For Employee Benefit Obligations - Non-Current (ThousandTHB)	15,480.38	17,009.57	18,115.43
Total Non-Current Liabilities (ThousandTHB)	16,508.33	28,712.98	57,715.28
Total Liabilities (ThousandTHB)	1,858,674.46	1,972,018.12	1,888,813.62

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Separate	Separate	Separate
	AUDITED	AUDITED	AUDITED
Shareholders' equity			
Authorised Share Capital (ThousandTHB)	400,000.00	400,000.00	400,000.00
Issued And Paid-Up Share Capital (ThousandTHB)	400,000.00	400,000.00	400,000.00
Share Premium (ThousandTHB)	75,844.89	75,844.89	75,844.89
Excess capital from large companies (ThousandTHB)	406.08	406.08	406.08
Accumulated Profit Appropriated - Statutory Reserve (ThousandTHB)	36,970.00	37,370.00	38,208.00
Accumulated profit not yet appropriated (ThousandTHB)	12,402.82	18,821.32	2,725.07
Total Equity (ThousandTHB)	525,623.79	532,442.28	517,184.04
Total Liabilities And Equity (ThousandTHB)	2,384,298.25	2,504,460.41	2,405,997.66

Summary of income statement

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Separate	Separate	Separate
	AUDITED	AUDITED	AUDITED
Statement of Comprehensive Income			
Interest income from purchase of rights (ThousandTHB)	158,141.82	173,614.60	175,850.28
Revenue from Sales and Services (ThousandTHB)	47,753.02	50,677.26	46,067.62
Interest income from loans (ThousandTHB)	19,415.30	15,302.47	32,917.78
Other Income (ThousandTHB)	1,179.24	1,554.56	348.09
Total Revenue (ThousandTHB)	226,489.38	241,148.89	255,183.77
Management Fee (ThousandTHB)	107,808.12	115,160.40	118,848.11
Expected Credit Loss (ThousandTHB)	19,347.14	53,105.06	33,385.99
Total Cost And Expenses (ThousandTHB)	127,155.26	168,265.46	152,234.10
Profit (Loss) Before Finance Costs And Income Tax Expense (ThousandTHB)	99,334.12	72,883.43	102,949.67
Financial Income (ThousandTHB)	7.41	21.66	29.95
Finance Costs (ThousandTHB)	-42,566.19	-63,453.23	-82,100.60
Income Tax Expense (ThousandTHB)	-11,514.62	-2,633.36	-4,137.28
Profit for the year (ThousandTHB)	45,260.72	6,818.50	16,741.75
Other comprehensive income (loss) (ThousandTHB)	807.61	0.00	0.00
Total net profit (loss) for the year (ThousandTHB)	46,068.33	6,818.50	16,741.75
Basic Earnings (Loss) Per Share (Baht/Share) (ThousandTHB)	0.03	0.00	0.01

Summary of cash flow statement

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Separate	Separate	Separate
	AUDITED	AUDITED	AUDITED
Cash flow statement			
Profit (Loss) Before Finance Costs And/Or Income Tax Expense (ThousandTHB)	56,775.34	9,451.86	20,879.03
Depreciation And Amortisation (ThousandTHB)	8,580.93	11,363.27	10,693.24
Expected Credit Loss (ThousandTHB)	19,347.14	53,105.06	33,385.99
Gain on Disposal of Equipment (ThousandTHB)	-811,987.00	-20,410.00	0.00
Finance Costs (ThousandTHB)	42,566.20	63,453.23	82,100.60
Employee Benefit Expenses (ThousandTHB)	2,432.48	2,678.28	2,415.60
Profit from operations before changes in operating assets and liabilities (ThousandTHB)	128,890.09	140,031.29	149,474.46
Trade and other receivables (Increase) Decrease (ThousandTHB)	-180,518.91	46,771.75	107,586.28
Loans to customers (increase) decrease (ThousandTHB)	148,026.18	-177,188.43	-83,973.64
Short-term loans to related parties (increase) decrease (ThousandTHB)	-90,000.00	20,000.00	60,000.00
Other receivables (increase) decrease (ThousandTHB)	221.75	-481.52	810.44
Other current assets (increased) decreased (ThousandTHB)	327.03	-488.83	-64.70
Security Deposits and Guarantees (Increase) Decrease (ThousandTHB)	0.00	-1,663.17	0.00
Proceeds from the exercise of warrants, increased (decreased) (ThousandTHB)	10,392.55	-12,534.20	271.06

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Separate	Separate	Separate
	AUDITED	AUDITED	AUDITED
Accrued Interest Income (ThousandTHB)	-12,320.24	1,230.54	7,181.49
Other payables, net increase (decrease) (ThousandTHB)	1,108.51	2,724.76	3,263.16
Other current liabilities, increase (decrease) (ThousandTHB)	-972.99	-760.39	92.66
Cash Generated From (Used In) Operations (ThousandTHB)	5,153.96	17,641.80	244,641.21
Interest Paid (ThousandTHB)	-42,375.14	-63,054.57	-80,986.86
Employee Long-Term Benefit Obligations (ThousandTHB)	-5,261.88	-1,149.09	-1,309.74
Income Tax (Paid) Received (ThousandTHB)	-11,661.81	-13,811.06	-12,267.58
Net Cash From (Used In) Operating Activities (ThousandTHB)	-54,144.88	-60,372.92	150,077.03
Cash paid for equipment (ThousandTHB)	-607.31	-6,214.19	-252.32
Cash paid for intangible assets (ThousandTHB)	-1,241.25	-1,645.33	-503.47
Cash from Sales of Equipment (ThousandTHB)	812.00	23.99	0.00
Net Cash From (Used In) Investing Activities (ThousandTHB)	-1,036.56	-7,835.53	-755.79
Short-term loans from financial institutions increased (decreased) (ThousandTHB)	42,000.00	65,000.00	-130,000.00
Short-term borrowings from related parties, increased (ThousandTHB)	0.00	90,000.00	0.00
Long-term loans from financial institutions increased (decreased) (ThousandTHB)	-12,000.00	0.00	26,830.43

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Separate	Separate	Separate
	AUDITED	AUDITED	AUDITED
Repayments On Lease Liabilities (ThousandTHB)	-5,655.31	-6,836.84	-7,343.40
Dividend Paid (ThousandTHB)	0.00	-51,200.00	-32,000.00
Net Cash From (Used In) Financing Activities (ThousandTHB)	24,344.70	96,963.16	-142,512.97
Net Increase (Decrease) In Cash And Cash Equivalent (ThousandTHB)	-30,836.74	28,754.70	6,808.26
Cash and cash equivalents, beginning of year (ThousandTHB)	99,985.36	69,148.62	97,903.33
Cash and cash equivalents, end of year (ThousandTHB)	69,148.62	97,903.33	104,711.59
Non-cash items (ThousandTHB)	N/A	N/A	N/A
Right-of-use assets arising from leases (ThousandTHB)	6,129.50	24,437.76	17,128.73
Increase in intangible assets creditors (ThousandTHB)	0.00	271.09	0.00
Trade payables (ThousandTHB)	196.69	0.00	0.00
Accumulated dividend increased (ThousandTHB)	51,200.00	0.00	0.00

Key financial ratios

	2022	2023	2024
Liquidity ratio			
Current ratio (times)	1.25	1.23	1.20
Profitability ratio			
Net profit margin (%)	19.98	2.83	6.56
Return on equity (ROE) (%)	8.61	1.28	3.24
Gross profit margin ((Interest Income + Fee and Service Income) - Financial Costs / (Interest Income + Fee and Service Income) (%)	81.11	73.77	68.64
Financial policy ratio			
Total debts to total equity (times)	3.54	3.70	3.65
Debt-to-equity ratio (Total Debt / Total Assets) (times)	0.78	0.79	0.79
Efficiency ratio			
Return on asset (ROA) (%)	1.90	0.27	0.70

5. General information and other material facts

5.1 General information

General information

Securities registrar

Name of securities registrar : Thailand Securities Depository Co., Ltd.
Address/location : 93 Ratchadaphisek Road
Subdistrict : Din Daeng
District : Din Daeng
Province : Bangkok
Postcode : 10400
Telephone : 02-009-9000
Facsimile number : 02-009-9991

Auditing firm

Name of auditing firm* : EY OFFICE LIMITED
Address/location : 33RD FLOOR, LAKE RAJADA OFFICE COMPLEX, 193/136-137
RAJADAPISEK ROAD
Subdistrict : KHLONG TOEI
District : KHLONG TOEI
Province : Bangkok
Postcode : 10110
Telephone : +66 2264 9090
Facsimile number : +66 2264 0789-90
List of auditors : Mrs POONNARD PAOCHAROEN
License number : 5238
List of auditors : Miss SUMANA PUNPONGSANON
License number : 5872
List of auditors : Miss ORAWAN TECHAWATANASIRIKUL
License number : 4807
List of auditors : Miss KIRDSIRI KANJANAPRAKASIT
License number : 6014

5.2 Other material facts

5.2.1 Other information that may significantly influence investors' decision making

Other information that may influence investors' decision : No
making

5.2.2 Restrictions of foreign shareholders

Are there restrictions on foreign shareholders? : No

5.3 Legal disputes

Legal disputes

Is there any legal dispute? : No

Details of legal dispute

5.4 Secondary market

Secondary market

Has the company's security been listed on a stock exchange in : No
another country?

5.5 Financial institution with regular contact (in case of debt securities offeror)

Financial institution with regular contact

Are there any debt securities offered? : No

Part 2 Corporate Governance

6. Corporate governance policy

6.1 Overview of the policy and guidelines

Overview of the policy and guidelines

The Board of Directors of AIRA Factoring Public Company Limited (“the Company”) recognizes and places great importance on good corporate governance, which will help promote the sustainable growth of the Company and society. It also enhances the confidence of all stakeholders, including shareholders, customers, debtors, competitors, partners, employees, and society.

The Company's good corporate governance policy and code of business conduct are in line with the Principles of Good Corporate Governance for Listed Companies 2017 of the Securities and Exchange Commission.

The Company requires an annual review of its corporate governance policy and publishes its good corporate governance policy and code of business conduct on the Company's website at www.airafactoring.co.th under the “Investor Relations” section. It has also communicated this information to employees and executives through internal communication channels to ensure strict compliance with the Company's corporate governance policy.

Corporate governance policy and guidelines : Yes

Overview of Corporate Governance Policies and Practices

AIRA Factoring Public Company Limited is committed to good corporate governance, emphasizing transparency, fairness, and responsibility towards shareholders and all stakeholders. The company's corporate governance policy is continuously developed to align with international standards and regulatory requirements. The company strives to create value for shareholders, coupled with stable and sustainable growth, under clear practices in all aspects of its business operations.

Shareholders' Rights

The company places importance on the fundamental rights of all shareholders equally, including voting rights, dividend rights, and access to accurate and complete information. The company holds an Annual General Meeting of Shareholders in accordance with the law, sets the agenda in advance, and allows shareholders to propose important issues at the meeting, enabling them to fully exercise their rights.

Equal Treatment of Shareholders

The company emphasizes fair treatment of all shareholder groups, whether major or minority shareholders, including foreign investors. It allows for the nomination of directors and the addition of agenda items in advance. Strict measures are in place to prevent insider information usage, ensuring no personal gain from information not yet disclosed to the public.

The Role of Stakeholders

The company recognizes the importance of all stakeholder groups, including shareholders, employees, customers, partners, competitors, creditors, regulators, communities, and the environment. The company operates by considering mutual benefits fairly, ensuring employees receive appropriate compensation and benefits, and supporting their development for stable growth.

Disclosure and Transparency

The company prioritizes complete and transparent disclosure of information to shareholders, investors, and stakeholders. Financial information and other important data are disclosed through easily accessible channels such as the company's website and annual reports. The company also complies with regulatory disclosure requirements, ensuring shareholders have sufficient information for investment decisions.

Responsibilities of the Board of Directors

The Board of Directors plays a vital role in overseeing the company's operations in accordance with good corporate governance principles. They establish clear policies and operational guidelines, oversee management's efficient achievement of organizational goals, and closely monitor performance. This ensures sound management and long-term value creation for shareholders.

Shareholders' Meeting

The company conducts shareholder meetings according to best practices, providing meeting notices and supporting documents for shareholders to review in advance. Shareholders are given the opportunity to ask questions, express opinions, and propose beneficial approaches to the company. The meeting information is also disseminated transparently and verifiably.

Director and Executive Remuneration and Nomination

The company has a Nomination and Remuneration Committee responsible for establishing appropriate criteria for the appointment of directors and executives. They also determine appropriate remuneration levels that align with capabilities, roles, and industry standards.

Conflict of Interest Prevention Policy

The company places importance on preventing conflicts of interest. Directors and executives are required to disclose relationships or transactions that may lead to conflicts of interest and must abstain from deliberations on related matters. This ensures transparency and fairness in all operations.

Whistleblowing Measures and Whistleblower Protection

The company provides channels for stakeholders to report misconduct, violations of regulations, or unethical behavior. Measures are in place to protect the confidentiality of whistleblowers, ensuring no retaliation and a fair investigation process.

Environmental Policy and Social Responsibility

The company conducts its business with consideration for environmental and social impacts, encouraging employees to use resources efficiently, complying with environmental laws, and participating in activities that contribute to the development of society and communities. This ensures the company's growth aligns with social sustainability.

Internal Control and Risk Management

The company has a robust internal control system with clearly defined roles and responsibilities for executives and employees. An Audit Committee oversees compliance with standards, and a comprehensive risk management system enables the company to adapt to business changes and mitigate potential risks.

Role of the Chairman of the Board

The Chairman of the Board plays a crucial role in overseeing the effectiveness of corporate governance. They ensure board meetings adhere to good corporate governance principles, provide opportunities for directors to express their opinions freely, and oversee management's execution of set targets.

Performance Evaluation of the Board of Directors and Executives

The company has a system for annually evaluating the performance of the Board of Directors and executives to ensure effective management. The evaluation results are used as guidelines for improving and developing corporate governance processes.

Executive Development and Succession Planning

The company prioritizes the development of its directors and executives by supporting their participation in training programs and continuous business knowledge enhancement. A succession plan is also in place to ensure the organization's continued and stable operations.

AIRA Factoring Public Company Limited is committed to conducting business with transparency, adhering to good corporate governance principles, and prioritizing all stakeholders, including shareholders, employees, customers, partners, and society as a whole. With comprehensive policies and practices, the company is ready to assure shareholders and investors of its ability to achieve stable and sustainable growth in the long term.

6.1.1 Policy and guidelines related to the board of directors

Are there policy and guidelines related to the board of directors : Yes

Guidelines related to the board of directors : Nomination of directors, Determination of director remuneration, Independence of the board of directors from the management, Director development, Board performance evaluation, Other guidelines regarding the board of directors

Nomination of directors

The company establishes policies, regulations, and important practices related to the Board of Directors, including a review to ensure their appropriateness and alignment with the guidelines of the company's regulatory bodies, as follows:

Practices Relating to Director Recruitment:

The recruitment of directors is based on transparency and in line with the company's business strategy. The company prioritizes diversity in the board structure, including the number of directors, the proportion of directors of major shareholders, independent directors, non-executive directors, and the necessary skills that the board still lacks. The selection will be based on skills, experience, knowledge, abilities that will benefit the company, as well as independence, age, and gender, without discrimination based on race, language, age, religion, gender, marital status, or disability. The company remains committed to providing equal rights to shareholders in nominating suitable individuals to serve as directors of the company.

Recruitment Criteria:

- Based on transparency and in line with the company's business strategy.
- Prioritize diversity in the board structure, including the number of directors, the proportion of directors of major shareholders, independent directors, and non-executive directors.
- Select suitable individuals to serve as directors of the company, free from discrimination based on race, religion, gender, marital status, or disability. There are no restrictions on nationality, language, age, and gender.
- Consider the necessary skills that the board still lacks.
- Grant equal rights to shareholders in nominating suitable individuals to serve as directors of the company.

The company allows shareholders to nominate qualified individuals for election as directors of the company in advance of the Annual General Meeting of Shareholders for a period of 3 months, from October 1st to December 31st of each year. The criteria, nomination methods, and nomination procedures are published on the company's website.

Sources of Recruitment:

The Nomination and Remuneration Committee will consider recruiting individuals with appropriate experience, knowledge, and expertise from various sources as follows:

- Nominations from the Board of Directors.
- Nominations from shareholders who hold, in aggregate, not less than 5 percent of the total voting rights of all shares of the company.
- Recommendations from external consulting firms.
- Use data from the director database of the Thai Institute of Directors Association (Director Pool)

Director and Subcommittee Recruitment and Selection Process:

1. Consider the appropriateness of the board structure, board composition, and diversity of skills (Board Skills Matrix) and define the necessary qualifications to align with the company's strategy.
2. Recruit suitable individuals who meet the specified qualifications and submit their names to the Board of Directors' meeting for approval or for submission to the shareholders' meeting for approval, as the case may be.
3. In the case of nominating a retiring director to return to the position for another term, factors such as performance, continuity of management, number of meetings attended, participation in meetings, and participation in various activities of the Board of Directors will be considered. The Nomination and Remuneration Committee will then submit the list to the Board of Directors for approval before submitting it to the shareholders' meeting for approval.

Determination of director remuneration

The company places importance on Corporate Governance (CG) in its management, including the recruitment and determination of directors' remuneration, taking into account fairness, transparency, and appropriateness to attract, retain, and motivate qualified personnel to perform their duties effectively. It also encourages the Board of Directors to be independent in making decisions for the best interests of shareholders and all stakeholders.

The policy and criteria for determining directors' remuneration have been developed based on the principles of Good Corporate Governance, the practices of listed companies in the same industry, and the guidelines set by the Thai Institute of Directors Association (IOD) to ensure that the remuneration set is appropriate, transparent, and reflects the roles and responsibilities of directors fairly.

Practices regarding the determination of directors' remuneration.

1. Criteria for determining directors' remuneration.

The determination of directors' remuneration is based on several key factors, including:

- Duties, scope of roles, and responsibilities of directors.
- The performance of directors' duties and the time they devote to the company.
- Benchmarking against the remuneration of directors in companies with similar business size and industry.
- The company's performance and overall economic conditions.
- Good corporate governance practices and capital market standards.

Directors' remuneration structure.

Divided into 2 main types: attendance fees and directors' bonuses, which reflect transparency and fairness in management.

1.1 Attendance Fee.

The company determines the attendance fees of the Board of Directors and sub-committees by considering the scope of responsibilities and assigned tasks, as follows:

- Directors will receive attendance fees only if they attend the meeting to encourage regular participation and diligent performance of duties.
- The attendance fee rate for sub-committees will be set at a lower level than the Board of Directors due to the different scope of responsibilities.
- The Chairman and Sub-Committee Chairmen will receive attendance fees at a higher rate than general directors to reflect their greater duties and responsibilities.
- In the event that a director or chairman is an executive of the company, the remuneration will be reduced by half compared to directors who are external individuals to avoid conflicts of interest and maintain the independence of the Board.

1.2 Directors' Bonus.

Directors' bonuses are special remuneration considered for directors annually, based on the company's performance, to incentivize directors to promote the company's sustainable growth.

- The company will consider paying directors' bonuses only when there is a net profit, and the payout ratio will be determined as a proportion of the annual net profit.
- Directors' bonuses will be paid to all directors, with the Chairman receiving a higher rate than other directors to reflect their leadership role.
- The process of paying directors' bonuses must be approved by the shareholders' meeting to ensure transparency and scrutiny by stakeholders.

2. The process of considering and approving directors' remuneration.

The determination of directors' remuneration is carried out under a transparent and good governance process, with the following steps:

- The Nomination and Remuneration Committee is responsible for considering the remuneration structure, types of remuneration, and methods of paying remuneration to directors.
- Submit for approval from the Board of Directors to ensure that the remuneration set is appropriate and in line with good practice.
- Submit to the Shareholders' Meeting for formal approval and to allow shareholders to review the remuneration determination.

3. Operating in accordance with good corporate governance principles.

- The company has established directors' remuneration based on the principles of transparency, verifiability, and under the supervision of shareholders.
- Benchmarking against other companies in the same industry is used to ensure that the remuneration set is fair and appropriate.
- There is a clear remuneration approval process that is in line with good corporate governance principles.
- Directors' remuneration reflects the capabilities and roles of each director, which helps attract qualified and experienced directors.
- The payment of remuneration has clear conditions, such as paying attendance fees only to directors who attend meetings and paying directors' bonuses linked to the company's performance.

Independence of the board of directors from the management

Practices Regarding the Independence of the Board of Directors from Management

- The company has a clear separation of roles and responsibilities between the Board of Directors and management, stipulating that the Chairman of the Board of Directors and the Chief Executive Officer must be different individuals to ensure a balance of power and maintain the independence of the Board of Directors from management.
- The Board of Directors is responsible for setting policies and strategies for the company's business operations without interfering with the day-to-day operations of management to ensure a balance in management.
- The management is responsible for the day-to-day operations of the company under the supervision of the Chief Executive Officer and must operate in accordance with the strategic plans and policies approved by the Board of Directors.

To ensure effective and transparent corporate governance, the Company has clearly defined the roles and responsibilities of the Chairman of the Board of Directors, the Chairman of the Executive Committee, the Chief Executive Officer, and the Board of Directors, with the following operational framework:

Roles and Responsibilities of the Chairman of the Board of Directors

Status and Independence:

The Chairman of the Board of Directors is an independent director and does not participate in the day-to-day management of the company to maintain neutrality and enhance good corporate governance.

1. Role in Board of Directors Meetings

- Serves as the chairman of the Board of Directors' meetings and sets the meeting agenda in collaboration with the Chief Executive Officer.
- Conducts meetings in accordance with the agenda, company regulations, and relevant laws.
- Allocates appropriate time and encourages all directors to discuss, express opinions, and exercise independent judgment, considering the interests of stakeholders.
- Supports the organization of independent board meetings and board meetings without the presence of management to ensure transparent decision-making, free from management influence.

2. Role in Shareholders' Meetings

- Serves as the chairman of the shareholders' meeting, ensuring that the proceedings are conducted in accordance with the agenda, company regulations, and relevant laws.
- Allocates appropriate time and provides opportunities for all shareholders to express their opinions equally.
- Ensures that shareholders' inquiries are answered completely, clearly, and transparently.

Furthermore, the Chairman of the Board of Directors is also responsible for promoting and supporting the Board of Directors in adhering to good corporate governance principles and operating within the scope of authority under the law to ensure the efficient management of the company and foster a good relationship between the Board of Directors and management.

Roles of the Board of Directors

- Establishes policies, strategic plans, and business directions of the company to align with the long-term goals and best interests of the company and its stakeholders.
- Provides opinions and suggestions on the management's action plans to ensure their suitability and effective implementation.
- Monitors, inspects, and oversees the management's operations to ensure compliance with the policies, processes, and standards set by the company.

- Ensures that the management operates with responsibility, transparency, honesty, and integrity, considering the interests of the company and its stakeholders.

Roles of the Executive Committee

The Executive Committee is responsible for overseeing, supervising, and managing the company's operations within the scope of authority and duties assigned by the Board of Directors under the prescribed regulations to ensure that business operations align with the established strategies and comply with the organization's core policies.

Roles of the Chairman of the Executive Committee

The Chairman of the Executive Committee is assigned by the Board of Directors to lead the strategic direction of the organization, with the following key roles:

- Develops and drives the company's strategies to align with short-term and long-term goals.
- Oversees the implementation of key policies related to the company's business to ensure operational efficiency and responsiveness to industry opportunities and challenges.
- Collaborates with management and relevant departments to drive the implementation of plans according to the defined guidelines and promote the sustainable growth of the organization.

Roles of Management and the Chief Executive Officer

Management plays a crucial role in driving the organization to operate in accordance with the established guidelines, with the Chief Executive Officer leading the company's business policies and strategies, as well as managing and overseeing the implementation of plans approved by the Board of Directors. The management must operate in accordance with good corporate governance principles to enable the company to achieve its vision and business objectives, as well as strive for sustainable growth.

If the Chief Executive Officer wishes to hold a position in another company, prior approval from the Board of Directors is required to ensure that they can perform their duties effectively and without conflicts of interest.

Roles and Responsibilities of Management

- **Operates in accordance with policies and strategic plans.**

Management is responsible for operating in accordance with the policies and strategic plans approved by the Board of Directors, with the Chief Executive Officer being primarily responsible for managing and overseeing the implementation of plans to achieve the defined objectives.

- **Efficiently manages day-to-day operations.**

Management is responsible for managing and controlling the day-to-day operations of the company to be efficient, consistent with business plans, and focused on maximizing resource utilization.

- **Reports on the operating results to the Board of Directors.**

Management must prepare and submit operating results reports and important information to the Board of Directors completely, transparently, and promptly to support accurate and effective decision-making by the Board of Directors.

- **Performs duties with caution and consideration for the impact on stakeholders.**

Management must operate with responsibility, prudence, and ethics, considering the impact on the company, shareholders, and stakeholders to ensure the stable and sustainable business operations of the organization.

Director development

Director Development Policy and Practices

The Company places importance on developing and enhancing the potential of its directors to enable them to perform their duties effectively and in accordance with good corporate governance principles. The Company has established the following policies and practices to support director development:

1. Promoting and Supporting Director Knowledge Development

The Company encourages directors, executives, and personnel involved in corporate governance to participate in training, seminars, and knowledge development programs beneficial to their duties. They can attend training programs offered by reputable organizations and institutions such as:

- Thai Institute of Directors Association (IOD)
- The Stock Exchange of Thailand

- Thai Listed Companies Association
- Other related agencies

The Company encourages directors to participate in continuous and regular training to enhance their knowledge essential for performing their duties and elevate the Board's effectiveness in overseeing the company.

2. Director Training in Programs Aligned with their Roles

Currently, all directors of the Company have attended training courses related to their roles as directors from IOD. Each director selects a course that is appropriate and aligned with their scope of responsibilities. All (100%) of the Company's directors have completed the director training program.

3. Notification of Additional Training Courses

The Company assigns the Company Secretary to inform all directors, including newly appointed directors, about necessary training courses on a regular basis to ensure continuous development for all directors.

4. Company Secretary Development

The Company places importance on the development of the Company Secretary's knowledge by supporting their participation in training and seminars on corporate governance-related issues organized by key organizations such as:

- The Securities and Exchange Commission (SEC)
- The Stock Exchange of Thailand
- Thai Listed Companies Association
- Other related agencies

Continuous development of the company secretary will help support their role in advising the Board of Directors and contribute to the effectiveness of the company's corporate governance practices.

The Company prioritizes the development of directors and relevant personnel to ensure that the Company's operations adhere to good governance principles, enhance management capabilities, and build confidence among shareholders and all stakeholders.

Board performance evaluation

Policies and Practices for Board Performance Evaluation

The Company places importance on evaluating the performance of the Board of Directors and sub-committees to ensure that the operations are efficient, transparent, and in line with good corporate governance principles. The evaluation practices are as follows:

1. Performance Evaluation of the Board of Directors and Sub-Committees

1.1 Evaluation Format

- The Company conducts annual performance evaluations of the Board of Directors, sub-committees, and the Chief Executive Officer.
- The evaluation is divided into individual evaluations and overall Board evaluations.

1.2 Objectives of the Evaluation

- To review the roles, duties, and responsibilities of the Board of Directors in overseeing the Company.
- To consider work efficiency and identify areas for further improvement.
- To support the Board in having clear guidelines for performing their duties and promoting good governance.

1.3 Evaluation Process

- The Company has prepared an evaluation form that covers key factors such as understanding of the Company's business, role in strategy formulation, risk governance, stakeholder relationship management, and performance of duties in accordance with corporate governance principles.
- The evaluation results will be analyzed and reported to the Board of Directors for consideration and to determine measures for further work improvement.

2. Chief Executive Officer (CEO) Evaluation

2.1 Importance of CEO Evaluation

- The Company conducts an annual performance evaluation of the Chief Executive Officer (CEO) to ensure that the CEO can manage the business effectively and lead the Company towards its goals.

2.2 Evaluation Criteria

- Success in implementing strategies and policies approved by the Board of Directors.
- The Company's performance against financial and ESG targets.
- Efficiency in resource and team management.
- Risk management and good corporate governance.
- Ability to respond to business opportunities and challenges.

2.3 Evaluation Results

- The Board of Directors uses the evaluation results as guidelines for developing and improving the CEO's management.
- The evaluation results will be used as one of the factors in considering CEO compensation.

3. Utilization of Evaluation Results

- The evaluation results of the Board of Directors and the CEO will be used to determine organizational development guidelines and improve the Board's work.
- The Company places importance on continuous development, using evaluation results as crucial information for improving corporate governance approaches.

Other guidelines related to the board of directors

Disclosure of the Company's Securities Trading and Holdings

Practices

Directors and executives are required to report their initial securities holdings and any changes in their holdings, including those of their spouses, unemancipated minor children, and related persons, in accordance with Section 59 of the Securities and Exchange Act of 2016. They must also present any changes in their securities holdings to the Board of Directors for acknowledgement every quarter.

Company's Operations in Disclosing Securities Trading and Holding in the Past Year

In 2024, any changes in the securities holdings of directors and executives were reported to the Board of Directors' meetings.

Insider Trading Prevention

Practices

1. Require all directors, executives, and employees not to use inside information of the company or business partners to buy, sell, offer to buy, offer to sell, or persuade others to buy, sell, offer to buy, or offer to sell securities of the company or business partners for their own benefit or the benefit of others, or to engage in businesses that compete with the company or related businesses, even though the company may not suffer any disadvantage.
2. Require directors, executives, and employees, upon becoming aware of material inside information that affects the price of securities, to suspend trading in the company's securities during the period before the financial statements or such inside information is disclosed to the public and to refrain from disclosing such material information to others.
3. Prohibit directors, executives, and employees involved with information, including their spouses and unemancipated children, from using inside information that has not yet been disclosed to the public for the purpose of buying, selling, transferring, or accepting the transfer of the company's shares during the period of 30 days prior to the public disclosure of financial statements.
4. The Company Secretary shall notify the directors, executives, and employees involved with inside information at least 30 days in advance of the disclosure of financial statements to the public. The communication has been made through various channels of the company to inform the directors, executives, and employees to acknowledge and strictly comply.

The company's insider trading prevention operations in the past year.

- The company secretary has sent an e-mail to the relevant persons to inform them of the Blackout Period in advance.
- In the past year, the company has provided training to directors, executives, and employees on insider trading prevention in the form of dissemination through the company's intranet, which all employees have signed to acknowledge their responsibilities in holding their securities in the company, including their spouses and unemancipated children.
- There were no changes in shareholdings of directors and executives in the past year.

Statistics:

No directors, executives, or relevant employees were found to have traded in securities during the period when the company prohibited trading.

Conflict of Interest Prevention and Declaration of Interest

The Board of Directors places importance on conflicts between personal interests and the interests of the company. It has established this as part of its good corporate governance policy and has established guidelines for directors, executives, and employees in the Company's Code of Conduct.

Practices:

1. Directors, executives, and employees are required to report their own conflicts of interest and those of related persons to the company secretary for presentation to the Board of Directors for acknowledgement. This is to avoid using the opportunity of being a director, executive, or employee to seek personal gain.
2. The company has established procedures for directors, executives, and employees to disclose their own conflicts of interest and those of related persons to the company secretary. The company secretary will then notify the Board of Directors' meeting for acknowledgement. This information will be used to monitor the performance of directors and executives to ensure that they are acting in accordance with the principles of due care and fiduciary duties, and that there are no instances that could lead to conflicts of interest that could result in the transfer of company benefits.
3. In addition, directors and executives who have a significant interest in transactions with the company are not allowed to participate in meetings considering such matters.

Implementation of Conflict of Interest Prevention in the Past Year

The company has communicated knowledge about conflicts of interest to all executives and employees by disseminating knowledge through the company's Intranet. All personnel are required to sign an acknowledgment of the policy and agree to comply with it.

Statistics:

No violations of the conflict of interest policy were found.

Board Diversity Policy

The Company places importance on Board Diversity by stipulating that the Board composition must encompass gender, professional skills, expertise, knowledge, and experience relevant to the business to ensure effective management and support the Company's strategies. The Board of Directors must have the ability to oversee operations, possess leadership qualities, and be able to perform their duties independently without limitations on gender and age. The Company has established criteria for the selection and appointment of directors to align with good corporate governance principles and the Company's business practices.

Actions Taken in the Past Year

The Company has reviewed the structure, size, and composition of the Board of Directors and sub-committees to ensure alignment with the Company's strategies and to support future business changes. The review emphasized Board Diversity and Board Skill Matrix compared to ESG rating criteria. It was found that the structure and composition of the Board of Directors, such as the number of independent directors, the number of non-executive directors, the number of female directors, and the qualifications of the Chairman of the Board, are in accordance with the Board of Directors' composition as stipulated in the Board Charter and the regulations set by the Securities and Exchange Commission. These also meet the ESG rating assessment criteria.

Board Skills Matrix Policy

The Board has considered and established guidelines for creating Board skill diversity with a Skills Matrix, considering the knowledge, skills, and expertise of directors necessary to achieve the organization's strategic goals. This is to consider the composition of the Board to align with the company's strategies.

There are 8 key and necessary skills for the company's directors, as follows:

1. Business / Management
2. Strategic Planning
3. Accounting - Finance / Internal Audit / Governance
4. Loan Business / Financial Institution / Factoring Business
5. Risk / Enterprise Risk Management
6. Business-related Law
7. Information Technology
8. ESG

Practices

The review is scheduled annually.

The assessment results of the directors' skills are currently available in comparison to the key and necessary skills for the company's directors.

From the assessment results of the necessary skills of the company's directors in 2024, it was found that the Board of Directors has skills, knowledge, abilities, and experience consistent with the company's business operations in 6 out of 8 key areas, including Business and Management, Strategic Planning, Accounting-Finance, Internal Audit and Governance, Loan and Factoring Business, Enterprise Risk Management, and Business-related Law.

However, Information Technology and ESG remain areas where some directors need further development. There are 5 directors with expertise in Information Technology and 7 in ESG. The Board of Directors has used the assessment results as guidelines for developing knowledge and recruiting new directors.

Operations in the past year

In 2024, the Board of Directors recruited and nominated an individual with expertise in Information Technology to serve as an Executive Director to enhance the Board's capabilities to align with the company's business strategy. This is to support sustainable growth and enhance the organization's competitiveness in the digital age.

In addition, the company organized training to enhance knowledge and awareness of ESG for the Board of Directors and the group of companies, including organizing workshops on Information Technology to enhance understanding of technologies related to the business. In the process of recruiting new directors, the Nomination and Remuneration Committee also prioritizes the qualifications of directors in terms of sustainable business operations (Sustainable Development: SD) and expertise in Information Technology to ensure that the Board of Directors has comprehensive knowledge and skills to support the company's future business operations.

Directorship in Other Companies Policy

Practices

1. The company's directors may hold directorships in no more than 5 other listed companies in order to be able to perform their duties on the company's Board of Directors and subcommittees effectively.
2. The Chief Executive Officer may hold a directorship in other companies, but it must not interfere with the performance of duties in the company, and such activities must not be in the same type of business or compete with the company's business.
3. In the event that the Chief Executive Officer wishes to hold a directorship in another company, approval must be obtained from the Board of Directors prior to assuming the position. The process for holding a directorship in another company in the past year.

Performance in the past year

- Currently, no independent directors, executive directors, or company directors hold positions in more than 3 listed companies.
- Currently, the Chief Executive Officer does not hold a position in other listed companies.

New Director Orientation

Practices

The Company requires orientation for all new directors to prepare them for their duties. The objective is to ensure that the directors understand the nature of the business, the direction of operations, and their roles and responsibilities thoroughly.

The orientation will cover the following key issues:

- Overall business characteristics of the company, business direction, and business goals
- Business conditions and industry trends
- Roles, duties, and responsibilities as a director
- Office visits to meet the board of directors and senior executives

Orientation of new directors in the past year

In the past year, the Company has conducted orientation for newly appointed directors by arranging meetings with the Chief Executive Officer and senior executives from all departments. This is to provide new directors with comprehensive information about the business, operational direction, and management approach of the Company. In addition, the Company has provided a director's manual which contains important information related to the roles and responsibilities of directors, including corporate governance requirements, to enable directors to perform their duties effectively. The Company also organized visits to the Company's offices and business operations, including meetings and exchanges of views with senior management, to enhance understanding and relationships in working together.

6.1.2 Policy and guidelines related to shareholders and stakeholders

Are there policy and guidelines and measures related to : Yes
shareholders and stakeholders

Guidelines and measures related to shareholders and : Shareholders, Employee, Customer, Business competitors, Suppliers,
stakeholders Creditors, Government agencies, Community and society, Other
guidelines and measures related to shareholders and stakeholders

Shareholders

The Company places importance on Shareholders' Rights and treats all shareholders equally and fairly by considering fundamental rights such as the right to buy, sell, or transfer securities, the right to receive dividends, the right to attend and vote at shareholder meetings, and the right to be informed of material information of the Company adequately and in a timely manner. In addition, the Company allows shareholders to propose meeting agendas and nominate persons for directors in advance, as well as encourages the exercise of voting rights on important issues affecting the Company, such as the appointment of directors, the determination of directors' remuneration, and the approval of major transactions of the Company. The Company also conducts shareholder meetings transparently, discloses information in advance, and facilitates shareholders, including providing channels for receiving suggestions and complaints to ensure that the Company's operations are in accordance with good corporate governance principles and create value for shareholders in the long term.

(Reference Corporate Governance Policy, Section 1: Shareholders' Rights, which addresses the fundamental rights of shareholders, such as the right to buy or sell securities, the right to receive dividends, the right to attend meetings and vote, as well as the Company's approach to promoting and facilitating the exercise of shareholders' rights transparently and fairly.)

Practices:

- Conduct business with honesty, prudence, due care, and fairness to all shareholders, for the best interests of all shareholders, and with operating results that create good corporate value in the long term.
- Report the Company's status, operating results, financial information, accounting, and other reports completely and truthfully.
- Report to shareholders equally on the Company's future prospects, both positive and negative, which are based on possibilities, have supporting information, and are reasonably justified.
- Do not seek benefits by using any information of the Company that has not been disclosed to the public or take any action that may cause a conflict of interest with the organization.
- The Company must treat all shareholders equally at the shareholders' meeting.
- Be accountable to stakeholders and respect the rights of shareholders.

Employee

The company values its employees as valuable resources and has established clear guidelines for ensuring that they receive fair and appropriate rights in terms of compensation, benefits, skills development, and career advancement. The company focuses on creating a safe and healthy work environment and fostering a positive corporate culture based on equality and non-discrimination. It also supports the development of employees' knowledge and skills through continuous training and development programs to enable them to grow sustainably with the organization.

(Reference Corporate Governance Policy, Section 3: Roles of Stakeholders, which addresses employee rights, including the company's approach to promoting and caring for employees in accordance with good corporate governance principles.)

Practices:

- Treat everyone with respect and dignity.
- Uphold human rights as a shared practice with all employees, mitigating the risk of human rights violations. Refrain from any form of discrimination based on race, religion, gender, age, or physical or mental condition. Everyone in society shall be treated fairly and without bias or prejudice.
- Recruitment and merit consideration processes must be conducted fairly and impartially.
- Determine employee compensation fairly, based on the nature and characteristics of the work, performance results, and the company's ability to pay, including providing benefits no less than those stipulated by law or more as appropriate.
- Continuously promote, support, and develop employees to provide them with opportunities for advancement and job security, as well as prepare a succession plan for key positions that aligns with the organization's direction and strategies.

Customer

The Company values its customers and is committed to providing excellent service to build satisfaction and trust by conducting business fairly and equitably, maintaining customer confidentiality, and providing accurate, complete, and timely information. In addition, the Company has a customer complaint system in place to resolve problems quickly and efficiently. The Company is committed to continuously improving the quality of its services to provide customers with the best possible experience in using the Company's services.

(Reference Corporate Governance Policy, Section 3: Roles of Stakeholders, which addresses the Company's approach to customer and debtor care)

Practices:

- Conduct business by focusing on providing quality and fair financial services under the fundamental rights of customers, including the right to receive accurate information, the right to choose to purchase products and services freely.
- Providing products and services that are appropriate to the needs and capabilities of customers.
- Maintaining sustainable customer relationships without demanding benefits and/or benefits, gifts, assets, and entertainment in any form that indicates such intent to benefit customers unfairly.
- Provide disclosure of information about the Company's products and services, covering the conditions and risks involved, including accurate, clear, and up-to-date service fees and interest rates to customers to ensure that customers understand and have sufficient information for decision-making, including advertising and public relations, must communicate transparently with clear messages that do not mislead.
- Protecting and keeping customer information confidential, not disclosing customer information unless authorized in writing by the customer or as required by law.
- Provide clear and appropriate channels and procedures for receiving complaints and handling issues raised by customers, such as receiving complaints by phone or at the Company's office.

Privacy Policy and Practices

The Company has a personal data protection policy, focusing on the collection, use, and disclosure of personal information lawfully, transparently, and fairly. Personal data will be stored and used only for necessary purposes, such as credit consideration, financial services, and the Company's business operations. The Company will obtain consent from the data subject before doing so, except in cases permitted by law, such as to comply with the law, prevent danger to life, or for the public interest. In addition, the Company places importance on maintaining data security, with measures to prevent unauthorized access, use, disclosure, or alteration of information.

Which stipulates that data subjects have the right to access, obtain a copy, request correction, or deletion of their personal data as prescribed by law. Disclosure of information to third parties will only be made when necessary, such as to competent government agencies or relevant business partners. The information will be treated with strict confidentiality. The Company has no policy of transferring personal data abroad and has a Data Protection Officer (DPO) who can be contacted to inquire or file a complaint regarding personal data.

Channels and procedures for handling complaints about personal data

The Company opens channels for data subjects to file complaints or requests regarding personal data through the Data Protection Officer (DPO), which can be contacted via phone number, email, or the Company's office address.

Complaint handling process

Filing a complaint – Data subjects can file a complaint regarding data access, correction, or deletion, including complaints about violations of personal data rights.

Inspection – The Company will consider the petition according to the internal process and verify the accuracy of the petition, including considering whether there is a reasonable cause for action.

Notification of action – The Company will notify the outcome of the consideration within a reasonable time, which may include taking corrective action or providing clarification under applicable law.

Business competitors

The company conducts business under a fair competition framework by treating competitors with honesty and transparency. We do not use unfair methods in business competition, do not infringe on competitors' trade secrets, and do not use fraudulent means to obtain competitors' information. The company focuses on creating quality products and services to compete in the market with business ethics and integrity.

(Reference Corporate Governance Policy, Section 3: Role of Stakeholders, which addresses the Company's approach to fair business competition)

Practices :

- Do not slander, take advantage of, or damage the reputation of competitors by making false accusations.
Creating false news or attacking competitors
- Do not seek confidential information from competitors through dishonest or inappropriate means, such as
Paying wages to competitors' employees, etc.
- Provide support to competitors in a manner that benefits customers. Such cooperation must not reduce or limit competition in a way that would harm customers overall.
- Company personnel must be cautious in contacting competitors and their personnel in all cases. They must not disclose or neglect to protect company secrets or customer information to competitors.
- If a dispute arises, the company should have an appropriate process in place to resolve or mediate the dispute.

Competition Practices in the Past Year

The company places great importance on fair competition and the development of the factoring industry in collaboration with other industry players through the Thai Factoring Business Association. This association serves as a key platform for cooperation between the company and its competitors. In 2024, the association undertook several initiatives to promote transparency, create business opportunities, and support entrepreneurs in accessing financial resources efficiently.

Collaboration Between the Company and Competitors Under the Association

1. Information Sharing for Factoring Industry Development

- The association acts as a central hub for collecting and sharing essential industry information, which is then presented to the Bank of Thailand and regulatory authorities to help develop policies that support business operations.
- Joint discussions were held to explore ways to enhance SMEs' access to financing. As part of this initiative, members of the association met with the Chiang Mai Federation of Industries to provide information on factoring loans and financial opportunities.

2. Cooperation in Organizing Events to Promote Access to Funding

- August 8, 2024: The Thai Factoring Business Association participated in the annual seminar hosted by the Bank of Thailand, Northern Regional Office, under the theme "Enhancing SME Capabilities and Expanding Access to Credit" in Chiang Mai. This event provided SMEs with insights into factoring services.
- May 17, 2024: The association organized a seminar on "Alternative Financial Sources and Services for Businesses" in collaboration with the Thai Entrepreneur Development Division of the Board of Investment at BITEC Bangna. The event aimed to educate businesses on how factoring loans can serve as a cash flow management tool.

3. Building Networks and Strengthening Factoring Entrepreneurs

- August 1, 2024: AF, as a member of the association, participated in the Thai Factoring Business Association's press conference under the theme "Uniting to Empower Thai SMEs for Sustainable Growth" at The Sukosol Hotel, Bangkok. This event reinforced the association's role in fostering cooperation among factoring service providers and supporting business growth in a sustainable manner.

Outcomes of the Collaboration

- No disputes or legal conflicts arose between the company and its competitors in 2024.
- Strengthened collaboration between the company and its competitors through the association in developing factoring loan services and improving SME access to financial resources.
- The association has become a key platform for engaging with regulatory bodies, fostering a transparent and fair business environment.

Suppliers

The company places importance on conducting business with partners based on transparency, fairness, and good corporate governance principles. It establishes clear policies and practices, such as credit policies, procurement policies, and partner selection criteria, to ensure that business operations are efficient and auditable. The company focuses on building strong and sustainable relationships with partners by treating all partners fairly and promoting strict compliance with laws and business ethics. (Reference Corporate Governance Policy, Section 3: Role of Stakeholders, which addresses the approach to managing relationships with partners transparently and fairly.)

Procurement Criteria

1. Transparency and Fairness

- The procurement process must be transparent, auditable, and treat partners fairly.
- Use clear criteria and allow qualified partners to participate in the bidding process.

2. Selecting partners with the potential to operate sustainably.

- Partners must be financially stable and operate according to industry standards.
- Consider environmental, social, and governance (ESG) principles.
- No history of illegal activities or business ethics violations.

3. Quality of goods and services

- Must meet the specified quality standards.
- Secure and compliant with legal requirements.

4. On-time delivery of goods or services

- Partners must be able to deliver goods and services according to the agreed terms.
- Have a management system that helps reduce the risk of delays and supply chain risks.

5. Compliance with Labor Laws

- No child labor or forced labor is used.
- Treat labor fairly, with no discrimination or human rights violations.

6. Compliance with Business Standards

- Must not be involved in fraud, bribery, or corruption.
- Must conduct business with honesty and integrity and in accordance with the law.

7. Partner Relationship Management

- Must maintain good cooperation and comply with the agreements and contracts.
- If unable to comply with the conditions, the company must be notified in advance to find solutions together.

8. Confidentiality

- Partners must maintain the confidentiality of the company and not use information inappropriately.

9. Environmental and Social Responsibility

- Partners must comply with environmental laws and have measures to reduce environmental impact.
- Support efficient and sustainable resource utilization.

10. Green Procurement

The company has guidelines for the procurement of environmentally friendly goods and services (Green Procurement) by considering sustainability factors in conjunction with quality and cost, including:

- Selecting partners with clear environmental policies, such as using environmentally friendly materials, reducing waste, and reducing greenhouse gas emissions.
- Support the use of environmentally friendly products such as recycled materials, low-energy products, and goods with environmental certifications (e.g., ISO 14001).
- Support logistics systems that reduce carbon emissions, such as high-efficiency and energy-saving transportation.

Practices:

- Strictly comply with contracts or trade terms agreed upon. In the event that any condition cannot be met, the partner and/or trade creditor must be notified in advance to jointly consider solutions.
- In business negotiations, refrain from demanding, accepting, or paying any dishonest benefits in trade with partners and/or creditors. If there is information that any dishonest benefits have been demanded, accepted, or paid, we will work together to resolve the issue fairly and promptly.

Performance Results in the Past Year

Throughout the past year, the company has implemented a policy of procuring paper from sources certified to be from planted trees, not from natural forests. This helps promote responsible resource use and supports environmental conservation in line with the company's sustainable development approach.

Creditors

The Company is committed to conducting business with responsibility and financial discipline to build trust and good relationships between the Company and all creditor groups. The Company places importance on strictly adhering to agreed-upon financial terms, such as debt repayment, interest payments, capital management, and collateral maintenance. However, if the Company faces limitations in complying with the agreed-upon terms, the Company will negotiate to find appropriate and fair solutions with all creditors.

(Reference Corporate Governance Policy, Section 3: Role of Stakeholders, which addresses guidelines for managing relationships with creditors fairly and transparently)

Practice guidelines:

1. Compliance with contracts and financial obligations

- The Company strictly adheres to the terms of repayment of principal, interest, and various collateral management.
- If the Company is unable to comply with the terms of the agreement, the Company will promptly notify the creditor in advance to jointly consider solutions.

2. Transparent financial disclosure

- The Company discloses its financial position to creditors accurately and honestly on a regular basis to build mutual trust.

3. Capital management and debt default prevention measures

- The Company has prudent capital management measures in place to ensure business operations and timely debt repayment.
- Monitor and manage liquidity risk to ensure continuous debt repayment.

4. Management of collateral and security terms

- The Company has fair practices regarding guarantees and collateral, and complies with relevant laws and regulations.

5. Guidelines for resolving debt default issues

- In the event of a default, the Company will negotiate with creditors to find a mutually agreeable solution.
- The Company will not engage in dishonest practices or conceal information that could adversely affect creditors.

6. Maintaining good and sustainable relationships with creditors

- The Company is committed to building mutual trust based on the principles of honesty, transparency, and fairness.
- Encourage negotiation to find mutually beneficial solutions in the event of disputes or financial problems.

Performance results in the past year

The Company has conducted its creditor management operations with transparency and fairness, strictly adhering to the terms and conditions of financial agreements. The Company has implemented effective capital management to mitigate the risk of default, including the repayment of loans and interest to creditors in strict accordance with the stipulated terms and deadlines.

Furthermore, the Company discloses comprehensive financial information to foster creditor confidence and prioritizes maintaining positive relationships through fair and equitable negotiations.

Government agencies

The Company places great importance on complying with laws, regulations, and relevant requirements of government agencies and regulatory organizations in all sectors, such as the Department of Business Development, Ministry of Commerce, the Revenue Department, the Ministry of Finance, the Stock Exchange of Thailand, and the Securities and Exchange Commission (SEC). The Company is committed to conducting business with transparency, honesty, and responsibility. We fully cooperate with government agencies in complying with legal requirements, including the disclosure of accurate and complete information in accordance with relevant regulations.

(Reference Corporate Governance Policy, Section 3: Role of Stakeholders, which addresses the Company's approach to regulators and government agencies).

Practices.

The Company places great importance on strictly complying with the laws and regulations of government agencies. We conduct business with transparency, honesty, and social responsibility. Our main practices are as follows:

1. Compliance with state laws and regulations.

- Comply with relevant laws, regulations, and rules of regulatory agencies such as the Department of Business Development, the Revenue Department, the Ministry of Finance, the Stock Exchange of Thailand, and the Securities and Exchange Commission (SEC).
- Monitor and update practices to comply with changing laws.

2. Accurate and transparent disclosure of information.

- Cooperate with regulators by disclosing accurate, complete, and timely financial, business, and operational information.
- Prepare and submit various reports as required by law, including annual reports, financial reports, and tax reports.

3. Compliance with tax regulations and proper tax payment.

- Pay taxes correctly, completely, and on time, in accordance with the laws and regulations of the Revenue Department and related agencies.
- Strictly adhere to tax regulations and do not evade taxes or use improper methods to reduce tax burdens.
- Promote internal audits to ensure that tax administration is in accordance with relevant laws and accounting standards.

4. Cooperation with government agencies in audits and follow-ups.

- Cooperate with government agencies in data verification or comply with requests from regulators.
- Prepare relevant documents and information to facilitate effective government audits.

5. Conducting business without involvement in fraud and corruption.

- Avoid giving bribes or any benefits to government officials in exchange for business privileges.
- Encourage employees to comply with anti-corruption guidelines and report any observed behavior that may violate business ethics.

Operational Results in the Past Year.

The Company operates under good governance principles and places great importance on complying with state laws and regulations. We comply with the regulations of regulatory agencies, including tax requirements. The Company has paid taxes legally, correctly, and on time. We disclose financial and tax information transparently to comply with the regulations of the Revenue Department and related agencies. In addition, the Company cooperates with government agencies in audits and follow-ups. We also promote transparent business practices, free from fraud and tax evasion, to ensure that the Company's operations are in accordance with legal and ethical standards.

Community and society

The company places importance on social and community responsibility by conducting business with ethics and transparency, encouraging employees to utilize resources efficiently, and supporting activities that benefit society and the environment. The company focuses on sustainable social and community development through value-creating projects such as natural resource conservation, education support, and quality of life development for people in the areas where the company operates. In doing so, the company prioritizes compliance with relevant laws and regulations to build good relationships and sustainable collaboration with the community and society.

(Reference Corporate Governance Policy, Section 3: Roles of Stakeholders, which addresses the company's approach to promoting and developing society and communities sustainably.)

Practices :

- The Board of Directors establishes a sustainable development policy and defines sustainability practices.
- The company consistently supports various activities that benefit the community and society as a whole, both those conducted by the company itself and in collaboration with the government and communities, with the aim of enhancing the community's quality of life.
- The company places importance on safety and environmental protection within the company effectively and encourages employees to be aware of their social and environmental responsibilities.

Action plan for developing self-reliant and sustainable communities.

1. Providing financial literacy and capacity building to the community.

- The company participated as a guest speaker at the seminar "Alternative Funding Sources and Financial Services for Businesses" to provide knowledge about financial opportunities and appropriate loan access channels for businesses in the community.
- Provide training and advice to small entrepreneurs and businesses in the community on financial management, financial planning, and sustainable business growth strategies.

2. Supporting access to funding sources for community development.

- Develop electronic lending service channels to provide easier access to funding for people and entrepreneurs in the community, reduce barriers to loan applications, and promote the grassroots economy.
- Promote access to retail loans and loans for small businesses, taking into account appropriate conditions for the community context.

3. Promoting education and human resource development.

- Provide scholarships to youth in the area to provide opportunities for learning and developing skills that can be applied to their careers.
- Support the development of financial literacy curricula for students and the general public to manage their finances effectively.

4. Improving the quality of life and the environment of the community.

- Organize environmental projects, such as the Low Carbon Learning activity, which provides opportunities for employees and the community to learn about carbon reduction and energy conservation.
- Support the operations of schools and hospitals in the area by providing funding for learning equipment, medical equipment, and public health development projects.

5. Strengthening collaboration with network partners for sustainable community development.

- Collaborate with government agencies and non-profit organizations to develop projects that enhance community potential.
- Support community groups in building small businesses or industries that utilize local resources effectively.

Objectives of the plan.

- Create opportunities for people and entrepreneurs in the community to access knowledge and funding sources.
- Promote economic stability and self-reliance within the community.
- Reduce social inequality and support sustainable development in economic, social, and environmental aspects.

Results from the past year.

- **Promoting knowledge of funding sources and financial services.** By participating as a guest speaker at the seminar "Alternative Funding Sources and Financial Services for Businesses" to educate entrepreneurs about loan options and financial solutions.
- **Organizing environmental activities.** For example, allowing employees to learn about Low Carbon activities outside the office at Baan Klang Suan, Samut Prakan Province.
- **Development of electronic lending channels.** To enable people and businesses in the community to access funding sources more conveniently.
- **Supporting education and public health.** By providing funding to schools and hospitals to enhance the quality of education and healthcare services in the community.

Other guidelines and measures related to shareholders and stakeholders

Trading Partner

The company places importance on building collaboration with business partners to enhance the potential and capabilities of its partners, focusing on the following approaches:

Approaches to Partner Development Collaboration

1. Joint product and innovation development

- Promote the adoption of digital technology in providing financial services such as e-Factoring and Online Factoring to increase convenience for partners.
- Collaborate with partners to develop digital financial solutions that enable businesses to manage working capital efficiently.

2. Support for access to funding sources

- Provide appropriate funding sources to business partners using Factoring Solutions and Supplier Chain Financing to help enhance financial liquidity.
- Facilitate credit for partners with business expansion potential.

3. Knowledge support and partner capacity building

- Organize training programs on finance, risk management, and financial technology for partners.
- Provide business management consulting to enable partners to operate in accordance with financial standards and good corporate governance.

4. Building a Business Networking

- Support partners to join the Company's partner network to exchange knowledge and connect business opportunities.
- Organize seminars and workshops with business partners to strengthen the supply chain.

Partner Development and Upgrading Plan

1. Digital Partner Development Project

- Develop an online platform for partners to access financial information and manage their businesses more conveniently.
- Promote the use of AI and Big Data in analyzing financial data of partners to enable accurate risk management.

2. ESG Promotion Project for Partners

- Encourage partners to have Environmental, Social, and Governance (ESG) policies, such as using clean energy or reducing waste in production.
- Promote environmentally friendly procurement and have partners comply with social responsibility standards.

3. Working Capital Support Project

- Expand Supplier Chain Financing services to partners in high-growth businesses such as clean energy, electric vehicles, and logistics.
- Support special loans for partners who want to expand their business or improve their production processes to be more efficient.

4. Business Partnership Building Project

- Collaborate with partners in various industries to expand business opportunities and develop new products and services that meet market needs.
- Develop collaborations with leading organizations in the industry to enhance the capabilities of partners to compete in the market.

Expected results from partner development

- Partners have the potential to operate their businesses efficiently and compete in the market.
- Reduce financial risks and improve business processes to be more flexible.
- Create a strong business ecosystem and promote sustainable business growth together.

Operating results

• Business collaboration to enhance factoring solutions

The Company has signed a business cooperation agreement with NEC to develop a Digital Supply Chain Platform, a modern factoring credit management system solution that helps increase credit management efficiency and enhance liquidity for Thai SMEs, enabling them to conduct business continuously and sustainably.

• Participation in promoting knowledge about funding sources and financial services.

The Company participated as a speaker at the seminar "Sources of Funds and Alternative Financial Services for Businesses" organized by the Thai Factoring Association in collaboration with the Thai Business Development Division, Board of Investment (BOI) on May 17, 2024, at MR Room 223, Bangkok International Trade & Exhibition Centre (BITEC). This participation reflects the Company's role in supporting and educating entrepreneurs about loan options and financial solutions that help enhance their business potential.

6.2 Business code of conduct

Business code of conduct

Business code of conduct : Yes

The Board of Directors recognizes the importance of having a Code of Conduct, which is an important tool in promoting good corporate governance at all levels under the principles of honesty, fairness, and business ethics. To enhance the Company as a transparent organization, creating fair benefits for all stakeholders for sustainable business growth. By focusing on tangible practices, the Company has established these written principles and practices for directors, executives, and employees to study, understand, and strictly comply with the spirit of the Code of Business Conduct.

This Code of Business Conduct consists of 3 sections:

Section 1 Business Ethics of the Company

Section 2 Code of Conduct for Directors, Executives and Employees

Section 3 Business Ethics for Business Partners

Each section sets out the principles and practices for each issue as follows:

Section 1 Business Ethics of the Company

1. Compliance with the law and good governance principles
2. Anti-corruption
3. Conflict of Interest Prevention
4. Whistleblowing
5. Conducting business responsibly towards society and the environment
6. Dealing with stakeholders by respecting human rights, non-discrimination, and adhering to the principle of equality.
 - 1) Dealing with shareholders
 - 2) Dealing with employees
 - 3.) Dealing with customers
 - 4.) Dealing with business partners and creditors
 - 5.) Dealing with creditor financial institutions
 - 6.) Dealing with competitors and dispute resolution
 - 7.) Dealing with government agencies regarding tax management
 - 8.) Dealing with society, community and the environment
7. Trading in the Company's securities and using inside information for personal gain
8. Consideration for safety, occupational health and working environment
9. Reliability of information
10. Data Security and Confidentiality
11. Security of information and information systems and intellectual property
12. Corporate Governance and Internal Control

Section 2 Code of Conduct for Directors, Executives and Employees

1. Code of Conduct for Directors
2. Code of Conduct for Executives
3. Code of Conduct for Employees
 - 1.) Dealing with the Company
 - 2.) Dealing with superiors, subordinates and colleagues
 - 3.) Dealing with oneself
 - 4.) Dealing with customers and partners
4. Monitoring compliance
5. Penalties
6. Governance and Review

Section 3 Business Ethics for Business Partners

1. Compliance with laws and regulations
2. Conducting business with honesty, integrity and prudence
3. Anti-fraud / Anti-bribery
4. Confidentiality and Personal Data Protection

5. Free competition
6. Intellectual Property
7. Conflicts of Interest
8. Employment and Labor Practices
9. Environment

The Company has communicated and disseminated the Code of Business Conduct through its website and intranet to inform the Board of Directors, executives and employees and to promote its implementation. It also requires all executives and employees to study and understand it in order to have good working standards together.

The Nomination and Remuneration Committee is assigned by the Board of Directors to review the Company's Code of Conduct on an annual basis.

Statistics :

In the past year, no directors or executives of the Company were found to have committed any wrongdoing due to ethical issues.

Policy and guidelines related to business code of conduct : <https://airafactoring.co.th/wp-content/uploads/2024/12/1.1-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88.pdf>

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Policy and guidelines related to business code of conduct

Guidelines related to business code of conduct : Prevention of misuse of inside information, Anti-corruption, Whistleblowing and Protection of Whistleblowers, Preventing the misuse of inside information, Gift giving or receiving, entertainment, or business hospitality, Compliance with laws, regulations, and rules, Information and assets usage and protection, Anti-unfair competitiveness, Information and IT system security, Environmental management, Human rights, Safety and occupational health at work

Prevention of misuse of inside information

Principle:

The Company has established measures to prevent conflicts of interest by considering transactions that may have conflicts of interest or related or related party transactions, which are based on the criteria of the Stock Exchange of Thailand and the Securities and Exchange Commission.

Practices:

The company has established the following guidelines:

- Directors and employees are required to perform their duties with the best interests of the company in mind and must always be mindful that in performing their duties, they must not have any conflicts of interest or benefits that conflict with the interests of the company.
- Refrain from any act that is detrimental to the interests of the company and avoid conflicts of interest that may arise both directly and indirectly, whether arising from contact with business associates of the company, such as partners, customers, competitors, or from taking advantage of opportunities or information obtained from being a director or employee for personal gain. This includes engaging in business that competes with the company or working outside of the company's work that adversely affects the work in the position.
- Require that persons involved or connected with the transaction under consideration notify the company of their relationship or involvement in such transaction and must not participate in the consideration and decision-making, including having no authority to approve such transaction.
- Any transaction in which a director, employee or connected person has an interest in transacting with the company.
- Directors or employees participate in the approval of transactions and ensure that the pricing is appropriate as if transacting with an outside party, using a fair and reasonable price in accordance with general trade terms and in accordance with the criteria set by the Stock Exchange of Thailand.
- The Audit Committee is assigned to consider the appropriateness of related party transactions and conflict of interest transactions for submission for approval in accordance with the criteria set by the Stock Exchange of Thailand.

Performance in the past year

- The Company has strictly complied with policies and practices to prevent conflicts of interest.
- The Audit Committee has properly performed its duties in reviewing and providing opinions on related party transactions to ensure compliance with good governance principles and relevant regulations.
- There are no wrongdoings or cases of conflict of interest that affect the company.

Reference link for prevention of conflicts of interest : <https://airafactoring.co.th/wp-content/uploads/2024/12/1.1-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88.pdf>

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Anti-corruption

Principles:

The company supports and encourages personnel at all levels to oppose fraud and corruption in all forms, to oppose the giving or receiving of benefits that induce actions or omissions that violate the law, or that may cause the company to lose legitimate benefits.

Practices:

- Anti-fraud and anti-corruption policies and measures are established, publicly announced, and the Board of Directors, executives, and employees are required to study, understand, and strictly comply with them.
- Fraud and corruption are monitored, audited, and tracked through the internal control system, including the establishment of whistleblowing channels through complaint channels in the event of witnessing or becoming aware of any acts of fraud and corruption related to the company.

Performance in the past year

- The company has strictly adhered to the Anti-Fraud and Anti-Corruption Policy, with no instances of fraud or misconduct.
- Internal monitoring and auditing are conducted continuously to ensure that the company has adequate control measures in place to prevent fraud risks.
- Personnel at all levels are trained and instilled with the awareness to conduct business with transparency and good governance.

Reference link for anti-corruption : <https://airafactoring.co.th/wp-content/uploads/2024/12/1.1-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88.pdf>

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Whistleblowing and Protection of Whistleblowers

Principles

The Company welcomes stakeholders to report any misconduct related to business ethics, the Anti-Corruption Policy, and other policies. Stakeholders can report such matters through the designated channels for fact-finding and complaint resolution. There are three channels for reporting:

Channel 1: Company Website www.airafactoring.co.th Under "Contact Us", select "Audit Committee" or "Internal Audit Department".

Channel 2: Send an email or contact the Internal Audit Department.

Email to the Audit Committee : - auditcommittee@airafactoring.co.th

Email to Internal Audit Department : - internalaudit@airafactoring.co.th

Telephone : 0 2657 6222 Fax : 0 2657 6244

Channel 3: Post : Attention: Internal Audit Department

AIRA Factoring Public Company Limited

188 Spring Tower Building, 12A Floor, Unit 6-10

Phayathai Road, Thung Phaya Thai Subdistrict, Ratchathewi District, Bangkok 10400

For employees, complaints or suggestions can be made directly to the Board of Directors and executives via the company's internal email as another channel.

Complaint Handling Procedures

The Audit Committee will appoint and assign a working group to gather facts, process and refine information, and propose measures to stop violations or non-compliance with the Code of Conduct and various policies. These will be presented to the Audit Committee for consideration to mitigate damages to those affected. The Chairman of the Audit Committee, an independent director, or the company secretary will report to the Board of Directors for acknowledgement and report the results to the complainant immediately if the complainant reveals their identity.

Protection Measures for Complainants and Whistleblowers

Complainants, whistleblowers, or those who cooperate in fact-finding investigations will be protected and can choose to remain anonymous if they believe that disclosure will cause insecurity or damage. In the case of self-disclosure, the company will

report progress and clarify the facts. The company will keep the complainant's information confidential and will only disclose it as necessary, taking into account the safety and damage to the complainant, whistleblower, or those who cooperate in the fact-finding investigation. The company will establish appropriate protection measures. Those who have been wronged or damaged will be remedied through an appropriate and fair process. In the event that the person complained against is a member of the complaint receiving committee or is a person who has an interest or is involved in the complaint, that committee or person shall immediately withdraw from the proceedings.

Performance Results in the Past Year

The Company has strictly adhered to the policy of receiving complaints and whistleblowing by systematically monitoring and verifying information received from all channels. There have been no reports of fraud or misconduct that violate business ethics and the Anti-Corruption Policy that have affected the Company.

Statistics : No reports of misconduct.

Improvements to Prevent Recurrence

The Company has established measures to prevent the recurrence of complaints. The Company considers improving work processes to be more rigorous by establishing clear control guidelines and providing an internal control system for continuous monitoring. In addition, the Company has developed work processes by utilizing technology and information systems to audit and mitigate risks, as well as improving process deficiencies to align with established standards. The Company also prioritizes training and raising awareness among employees regarding correct practices, including promoting a transparent organizational culture and providing opportunities for employees to safely report irregularities. This ensures efficient business operations and reduces the risk of potential future errors. Complaint Remediation

Remediation for Affected Persons

The Company places importance on mitigating the impact on affected individuals. The Board of Directors will consider remedial actions based on the level of damage incurred to ensure appropriate and fair resolution. In cases where complaints relate to customer interests, the Company may establish compensation measures or improve services to align with customer needs, ensuring satisfaction and maintaining long-term relationships.

Reference link for whistleblowing and protection of : <https://airafactoring.co.th/wp-content/uploads/2024/12/1.1-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88.pdf>
whistleblowers

Page number of the reference link : 7/25

Preventing the misuse of inside information

Principle:

The company places importance on the use of inside information that has not yet been disclosed to the public or information that may affect the company's securities prices to seek benefits for oneself and others improperly. The company considers it important to manage appropriately to prevent improper exploitation.

Practice :

- Directors, executives, and employees must avoid using the company's inside information for personal gain and must strictly comply with this policy, including compliance with the prohibitions in Section 242 of the Securities and Exchange Act B.E. 2535 (2012). In this regard, directors, executives under the regulations of the SEC, and employees who have access to inside information, such as the company secretary, investor relations, and finance manager, are required to report the trading of the company's securities within 3 business days to prevent the buying or selling of shares using inside information and to avoid allegations regarding the appropriateness of the buying or selling of shares by insiders.
- During the blackout period, all relevant persons are prohibited from making any transactions related to the company's securities.
- Those who know inside information or information that has not yet been disclosed to the public are prohibited from trading in shares or other related securities, disclosing, or using such information to seek benefits for themselves and/or other persons, both directly and indirectly. Therefore, directors, executives, and employees should refrain from buying or selling the company's shares during the 30 days prior to the release of financial statements or the disclosure of the company's status, including other

important information, and should wait at least 48 hours after the information is disclosed to the public before buying or selling the company's shares.

Performance results in the past year

The company secretary sends an email to inform all directors, executives, and employees to avoid using information that has not yet been disclosed to the public or information that may affect the company's securities prices for their own benefit or that of others during the 30 days prior to the release of financial statements or important information and should wait at least 48 hours after the information is disclosed to the public before trading.

Statistics - No offenders were found regarding the use of inside information.

Reference link for misuse of inside information : <https://airafactoring.co.th/wp-content/uploads/2024/12/1.1-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88.pdf>

Page number of the reference link : 13/25

Gift giving or receiving, entertainment, or business hospitality

The company adheres to the principles of transparency and business ethics by not demanding or accepting benefits from customers or partners in exchange for performing one's duties. It is also inappropriate to give or receive gifts, entertainment, or benefits of high value, which may lead to expectations of reciprocity that contradict the company's operating principles or affect fair business decisions. Furthermore, donations or financial support must be carried out in strict accordance with company regulations to ensure that all operations are conducted ethically and without any conflicts of interest.

Practices

- Refrain from demanding benefits from customers and partners in return for performing one's duties.
- Refrain from offering or accepting expensive entertainment, benefits, or gifts that may pressure employees to comply with partners' requests that deviate from the company's standard practices.
- Donations and financial support must strictly comply with the regulations on donations and financial support.

Reference link for gift giving or receiving, entertainment, or business hospitality : <https://airafactoring.co.th/wp-content/uploads/2024/12/1.1-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88.pdf>

Page number of the reference link : 20/25

Compliance with laws, regulations, and rules

Principles :

The company is committed to conducting business with integrity within the framework of relevant laws and regulations, company policies and procedures, and good corporate governance principles.

Practices :

- Conduct business with honesty, integrity, ethics, and accountability.
- Comply with relevant rules, regulations, laws, regulations of government agencies, and related regulations.
- Establish a unit to oversee compliance with laws and regulations, which can operate independently from the company's management. Allocate appropriate and sufficient personnel and resources to this unit.
- Establish oversight to regularly review compliance with laws, regulations of relevant authorities, and the company's policies and procedures. This includes management, corrective actions, and preventive measures within the framework of laws, regulations, and good corporate governance principles.

Reference link for compliance with laws, regulations, and rules : <https://airafactoring.co.th/wp-content/uploads/2024/12/1.1-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88.pdf>

Page number of the reference link : 5,15

Information and assets usage and protection

Principles:

Confidential information shall mean information that is not public information or information that, if disclosed to the public or falls into the hands of competitors, would have a serious impact on the company, including all types of information provided to the company by partners and customers.

Practices :

- Collect and gather personal data in accordance with the purposes, scope, and lawful and fair methods, as well as collect and gather personal data only to the extent necessary for the provision of services.
- Collect and use personal data in accordance with the terms of service and disclose information upon obtaining consent from the customer. The use of information must be in accordance with the purposes notified to the customer, without any other use beyond the purposes consented to by the customer.
- Collect and use personal data only for as long as necessary to fulfill the purposes notified to the customer.

For the duration of the contract or legal relationship, measures shall be established to maintain the security of personal data appropriately, consistent with the confidentiality of personal data, to prevent loss, access, destruction, use, alteration, correction, or disclosure of personal data without rights or unlawfully, as well as to prevent the use of personal data without permission, as specified in the company's cybersecurity policy.

Reference link for information and assets usage and protection : <https://airafactoring.co.th/wp-content/uploads/2024/12/1.1-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88.pdf>

Page number of the reference link : 14,20

Anti-unfair competitiveness

Principles :

The company conducts business based on free and fair competition under the framework of business competition regulations.

Practices :

- Do not slander, take advantage of, or damage the reputation of competitors by making false accusations, creating false news, or attacking competitors.
- Do not seek confidential information from competitors through dishonest or inappropriate means, such as bribing competitors' employees.
- Support competitors in a manner that benefits customers. Such cooperation must not be in a way that reduces or limits competition, which would harm customers overall.
- Company personnel must be cautious in all dealings with competitors and their personnel. They must not disclose or neglect to protect company secrets or customer information to competitors.
- If a dispute arises, the company should have an appropriate process in place to resolve or mediate the dispute.

Reference link for anti-unfair competitiveness : <https://airafactoring.co.th/wp-content/uploads/2024/12/1.1-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88.pdf>

Page number of the reference link : 11/25

Information and IT system security

Principles:

The company places importance on data, information systems, and intellectual property, which are factors that contribute to efficient business operations. The company also recognizes the risks from cybersecurity threats, as well as the security, reliability, and trustworthiness of the company's information technology operations.

Practices:

- Establish an information systems security policy.
- Do not disclose business-critical information to unrelated parties.
- Do not use the company's information systems for illegal purposes, causing damage to the company's reputation, assets, or negatively impacting the company.
- Adhere to relevant laws regarding non-infringement of intellectual property or copyrights.

Reference link for information and IT system security : <https://airafactoring.co.th/wp-content/uploads/2024/12/1.1-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88.pdf>

Page number of the reference link : 15/25

Environmental management

Principles :

The company aims to be a sustainably developed organization that helps create economic value, reduce environmental impact, and enhance the quality of life for people in society. Under good governance and ethical practices, the company is committed to conducting community and social activities alongside its business operations. The company adheres to conducting business with social responsibility and exercises caution in considering any actions that may impact public sentiment (Public Interest).

Practices :

- The company is committed to conducting and supporting various activities that benefit the community and society as a whole consistently, both those conducted by the company itself and in collaboration with the government and communities, to enhance the community's quality of life.
- The company places importance on safety and environmental care effectively to avoid any impact on surrounding communities and to promote employee awareness of social and environmental responsibility.
- The Board of Directors has established a sustainable development policy and defined sustainability practices.
- The company consistently supports various activities beneficial to the community and society as a whole, both those conducted by the company itself and in collaboration with the government and communities, with the aim of enhancing the community's quality of life.
- The company prioritizes effective safety and environmental management within the company and promotes employee awareness of social and environmental responsibility.

Reference link for environmental management : <https://airafactoring.co.th/wp-content/uploads/2024/12/1.1-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88.pdf>

Page number of the reference link : 8,10

Human rights

The Company places importance on respecting the human rights of all stakeholders, based on the principles of equality and non-discrimination. Everyone will be treated fairly, with respect for human dignity, and protected in their fundamental rights under relevant laws and regulations.

The Company is committed to promoting human rights through fair practices towards all parties, such as shareholders, employees, customers, partners, and the community, by emphasizing transparency, honesty, and responsibility in business operations. The Company does not engage in any activities that violate human rights and promotes a fair, safe, and healthy working environment for employees and society as a whole.

Practices

1 Fair Treatment of Workers

- Support for recruitment, employment, compensation considerations, and promotions based on merit without discrimination.

2 Prohibition of Child Labor and Forced Labor

- The Company and its business partners must not use child labor and must comply with the requirements of relevant labor laws.
- Avoid all forms of forced labor, including prison labor or involuntary labor.

3 Promoting Equality and Non-Discrimination

- The Company treats all employees and stakeholders equally, without discrimination on the basis of gender, age, race, religion, political opinion, health, or other factors as prescribed by law.
- Promote a corporate culture that respects diversity and provides equal opportunities for growth.

4 Prevention of Harassment and Bullying in the Workplace

- The Company strives to create a safe working environment, free from physical, mental, verbal, and sexual harassment.
- Strict measures are in place to prevent and address human rights violations within the organization.

5 Employee Welfare and Occupational Safety

- The Company prioritizes employee welfare in accordance with labor law standards, including occupational health and safety.
- Business partners must have adequate measures in place to ensure that employees receive appropriate basic rights at work.

6 Monitoring and Promoting Human Rights Awareness

- The Company supports training for employees on human rights practices.

Measures to Prevent Human Rights Violations

The Company recognizes the importance of human rights and is committed to conducting business under the principles of equality, fairness, and compliance with international standards. The Company has established measures to prevent human rights violations as follows:

1. Establishing Clear Policies and Practices

- Establish a human rights policy that covers labor practices, employment, non-discrimination, and the prohibition of child labor and forced labor.

2. Monitoring and Evaluation

- Establish an internal audit system to monitor and prevent human rights violations within the organization.

3. Education and Awareness Raising

- Provide training to employees on human rights, labor practices, and guidelines for preventing violations.
- Promote a corporate culture that respects diversity and prevents discrimination.

4. Establishing Grievance Channels and Protecting Whistleblowers

- Provide safe and confidential grievance channels for employees and stakeholders to report human rights violations.
- Establish measures to protect whistleblowers from retaliation or harassment.

5. Remediation and Impact Mitigation

- If a human rights violation is found, the Company will promptly investigate and rectify the situation, along with establishing guidelines to prevent recurrence.
- Provide assistance or compensation to affected individuals as appropriate.

Statistics: No human rights violations were found in the business process.

Remedial and Mitigation Measures

The Company is committed to remedying and providing relief to those affected by human rights violations by conducting fair and transparent investigations into complaints. The Company will establish solutions based on the severity of each case. The Company may implement remedial or restorative measures such as improving working conditions, restoring violated rights, or providing various forms of assistance as appropriate. In addition, the Company will establish guidelines to prevent recurrence and improve operational processes to be more rigorous in order to create a corporate culture that respects human rights and promotes fairness at all levels of business operations.

Reference link for human rights : <https://airafactoring.co.th/wp-content/uploads/2024/12/1.1-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88.pdf>

Page number of the reference link : 8/25

Safety and occupational health at work

Principles:

The company prioritizes the health and safety of its employees, which is a crucial factor in fostering morale and efficient, high-quality operations. Therefore, the company is committed to developing a safety, occupational health, and working environment management system that complies with relevant laws and regulations.

Practices:

- Support and promote the improvement of the work environment and safe work practices, including the good health and hygiene of all employees.
- Enhance the knowledge and awareness of all employees to work safely and maintain good occupational hygiene.
- Support and promote workplace safety activities to maximize practical outcomes for all parties.

Reference link for safety and occupational health at work : <https://airafactoring.co.th/wp-content/uploads/2024/12/1.1-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88.pdf>

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Promotion of compliance with the business code of conduct

Promotion for the board of directors, executives, and : Yes
employees to comply with the business code of conduct

Process for Promoting Compliance with the Code of Business Conduct by the Board of Directors, Executives, and Employees

The company has a systematic approach to promoting strict compliance with the Code of Business Conduct by the Board of Directors, executives, and employees. Clear responsibilities are defined at each level as follows:

1. Acknowledgement and Compliance with the Code of Business Conduct

- It is the duty and responsibility of the Board of Directors, executives, and all employees to acknowledge, understand, and strictly comply with the Code of Business Conduct.
- The Code of Business Conduct is considered a disciplinary matter. Violations are considered a violation of company policy and ethics, which may result in disciplinary action under the company's work regulations.

2. The Role of Management in Supervision

- Executives at all levels are responsible for overseeing and encouraging their subordinates to acknowledge, understand, and comply with the Code of Business Conduct seriously.

3. Channels for Consultation and Inquiry

- If there are any doubts about how to comply with the company's Code of Business Conduct, employees can directly ask their supervisors.
- Consultations can be made with the Internal Audit and Control Office, which is responsible for clarifying and providing appropriate guidelines.

4. Reviewing and Monitoring Compliance with the Code of Business Conduct

- The Management is responsible for reviewing the Code of Business Conduct and considering channels or processes for monitoring compliance.
- The Code of Business Conduct will be reviewed and updated annually to align with changes in the business environment. It will be presented to the Board of Directors for consideration and approval.
- If there are any changes, the Management must propose them to the Board of Directors for approval and implement improvements as soon as possible.

5. Monitoring and Auditing

- The Audit Committee is responsible for overseeing and monitoring the implementation of the Code of Business Conduct.
- The Internal Audit and Control Office is responsible for regularly auditing the internal control system and processes to ensure compliance with the company's Code of Business Conduct.
- The Internal Audit and Control Office will discuss the audit results with relevant individuals to find appropriate solutions and will report them to the Management and the Audit Committee.

Reference link for the process of promotion for the board of directors, executives, and employees to comply with the business code of conduct : <https://airafactoring.co.th/wp-content/uploads/2024/12/1.1-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88.pdf>

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Participation in anti-corruption networks

Participation or declaration of intent to join anti-corruption networks : Yes

Anti-corruption networks or projects the company has joined or declared intent to join : Thai Private Sector Collective Action Against Corruption (CAC)

CAC membership certification status : Certified

6.3 Material changes and developments in policy and corporate governance system over the past year

6.3.1 Material changes and developments related to the review of policy and guidelines in corporate governance system or board of directors' charter

In the past year, did the company review the corporate governance policy and guidelines, or board of directors' charter : Yes

Material changes and developments in policy and guidelines over the past year : Yes

Review of the Board Charter

The company has reviewed and improved the Board of Directors' Charter to enhance corporate governance. This was approved at the Board of Directors' Meeting No. 6/2024 on December 17, 2024. Key changes and developments are as follows:

1. Strengthening the Role of the Board of Directors

The new charter enhances and expands the scope of the Board of Directors' roles to be clearer and more comprehensive. It emphasizes the Board's crucial role in setting the organization's strategic direction and monitoring operations to ensure they align with the objectives.

Furthermore, the Chairman of the Board is explicitly designated as the leader of the Board, responsible for overseeing the effectiveness of meetings, supporting all directors in expressing their opinions freely, and promoting good corporate governance and ethical practices.

2. Environmental, Social, and Governance (ESG) Considerations in Business Operations

Added a requirement for the Board of Directors to consider ESG factors in all business decisions, including environmentally conscious business operations and efficient resource utilization, social responsibility and community development participation, transparent corporate governance that builds trust among shareholders and stakeholders.

3. Developing Risk Management and Internal Control Mechanisms

This includes regular reviews of the adequacy of the internal control system and enhanced measures to prevent conflicts of interest. Directors with conflicts of interest are required to abstain from voting and participation in discussions on related matters.

4. Improving Meeting Practices and Voting Procedures

For example, the Board of Directors is required to meet at least five times per year, with directors required to attend at least 75% of the meetings held. Electronic meetings are permitted in accordance with regulatory guidelines to align with current meeting practices.

Review of Corporate Governance Policies and Practices

The company has reviewed its corporate governance policy and proposed to the Board of Directors' Meeting No. 6/2024 on December 17, 2024, for approval to adjust the submission of board meeting documents from 7 days in advance to at least 5 days in advance. This aligns with the corporate governance policy of the Ira Group and the CG Code as prescribed by the SEC.

6.3.2 Implementation of the CG Code for listed companies

Implementation of the CG Code as prescribed by the SEC : Mostly used in practice

In the past year 2024, the company has adhered to corporate governance policies in each category as follows:

1. Shareholders' Rights and Equitable Treatment

The company actively promotes shareholders' rights and ensures that their rights are neither violated nor restricted. This includes fundamental rights, such as receiving accurate, sufficient, and timely information, as well as the right to attend meetings, vote, and express opinions freely.

To comply with good corporate governance principles, the company ensures that shareholders can exercise their rights fairly and appropriately. These rights include but are not limited to:

Trading or transferring shares

Receiving dividends

Accessing the company's information promptly, completely, and sufficiently through accessible channels

By implementing these practices, the company guarantees equal treatment of all shareholders and facilitates their ability to make informed decisions regarding their investments.

Additionally, shareholders have the right to participate in shareholders' meetings to make decisions on key company matters, including:

- Dividend payments
- Appointment or removal of directors
- Determination of directors' remuneration
- Appointment of auditors and determination of audit fees
- Amendments to the company's Articles of Association and Memorandum of Association
- Approval of special transactions, such as:
 - Capital increases or reductions
 - Acquisition or disposal of significant assets
 - Connected transactions

Shareholders can exercise their voting rights on each agenda item as outlined in the Notice of Shareholders' Meeting. The company ensures transparency in its governance practices, and further details on shareholders' rights can be found on the company's website www.airafactoring.co.th, under the "Investor Relations" section

Shareholders' Meeting

The company holds an Annual General Meeting of Shareholders (AGM) within four months from the end of the fiscal year or within the legal timeframe. In cases of urgent matters requiring shareholder approval, the company may convene an Extraordinary General Meeting of Shareholders (EGM) as necessary. The company ensures that shareholder meetings comply with the corporate governance principles and regulations applicable to listed companies to safeguard shareholders' rights.

In 2024, the company held its Annual General Meeting of Shareholders (AGM) on April 24, 2024, which was scheduled on a regular business day. The meeting was conducted via electronic means in accordance with the Royal Decree on Electronic Meetings B.E. 2563 (2020) and other relevant laws and regulations, ensuring shareholder participation with ease and accessibility.

Throughout the year, no Extraordinary General Meetings (EGMs) were convened.

Notification of Information and Meeting Documents

The company is committed to ensuring that shareholders receive clear, accurate, and complete information with sufficient time to review each agenda item. Shareholders can easily access the Notice of the Annual General Meeting of Shareholders (AGM) and its supporting documents.

The company publishes the AGM notice, meeting agenda documents, and proxy forms in both Thai and English on its website at least 30 days prior to the meeting. Additionally, the AGM notice is sent to shareholders, detailing the date, time, venue, agenda items, supporting facts and rationale, the board's opinions on each item, proxy forms, voting procedures, and meeting guidelines. The 56-1 One Report for 2023 is also provided in QR code format and distributed to shareholders at least 30 days before the meeting.

Furthermore, the company announces the meeting notice in newspapers as required by law. Shareholders who wish to obtain a physical copy of the 56-1 One Report for 2023 may request it from the Company Secretary.

Proposal of Meeting Agenda and Nomination of Directors

The company allows shareholders to propose agenda items for the Annual General Meeting of Shareholders (AGM) and to nominate individuals for election as company directors before the official AGM notice is sent. Shareholders may submit agenda proposals and director nominations in advance for a period of three months before the end of the fiscal year, specifically from October 1

to December 31. The company announces this opportunity through the Stock Exchange of Thailand (SET) and publishes the criteria and procedures for submission on its website starting October 1, 2024.

The company has established clear guidelines, which are publicly available on its website. Shareholders may submit their proposals and nominations via the company's designated submission channels or by email to ir_af@airafactoring.co.th. The Company Secretary will conduct an initial screening before forwarding the proposals to the Nomination and Remuneration Committee and the Board of Directors for further review.

- If approved, the proposed agenda items will be included in the AGM notice along with the Board's opinion.
- If rejected, the company will inform shareholders before the AGM via its website or other appropriate disclosure channels.

However, no shareholders submitted proposals or director nominations during the specified period.

Opportunity for Shareholders to Submit Questions in Advance

Before the shareholders' meeting, the company provides shareholders with the opportunity to submit questions related to the meeting agenda in advance, starting from the date of the official meeting notice. This ensures that shareholders gain the maximum benefit from the meeting while safeguarding their rights.

The company discloses the guidelines for submitting questions in advance on its website. Shareholders may submit their inquiries via the company website, email, or registered mail addressed to the Company Secretary until April 17, 2024. The Company Secretary will then compile, review, and present the questions to the Chairman and the Board of Directors for appropriate consideration.

Facilitating Shareholder Participation in the Meeting

The AGM notice includes clear details on the required documents shareholders must present to participate in the meeting, ensuring their right to attend. It also outlines relevant company regulations related to the meeting and includes proxy forms for shareholders who wish to appoint a representative. Shareholders may appoint any individual or assign an independent director as their proxy to attend the meeting on their behalf.

Additionally, to support foreign shareholders, the company issues the AGM notice in English, published alongside the Thai version for accessibility.

The company is committed to ensuring equal participation for all shareholders, including individual investors, legal entities, and institutional investors. To facilitate this, the company provides Proxy Form B, allowing shareholders unable to attend in person to authorize a proxy to vote on their behalf.

For every shareholders' meeting, the company prepares and provides proxy forms to those who cannot attend in person. This allows shareholders to exercise their voting rights by appointing a proxy—either an independent director or another individual of their choice.

Shareholders receive proxy forms along with the AGM notice, and they may also download these forms from the company's website. The AGM notice explicitly states the required documents for proxy appointments, ensuring a transparent and accessible process without imposing unnecessary conditions.

During the 2024 AGM, the company nominated three independent directors as proxy options for shareholders who could not attend in person. These independent directors had no conflicts of interest regarding the meeting agenda, ensuring fairness and transparency.

Provision of Independent Director Information

The company provides comprehensive information on independent directors, allowing shareholders to appoint any of the nominated independent directors as their proxy or choose another person at their discretion.

Electronic Meeting and Voting System

For the 2024 Annual General Meeting (AGM), the company engaged Digital Access Platform Co., Ltd. ("DAP") as the meeting system provider and system controller. Shareholders or proxy holders wishing to attend the electronic meeting could submit a request (e-Request) via a web browser or by scanning a QR Code for pre-registration (e-Registration) one month prior to the meeting.

The electronic meeting system (Webex Meetings) allowed participants to join one hour before the meeting started. Shareholders and proxy holders used the Username and Password provided and followed the system usage guide published in the AGM notice and on the company's website.

Even if shareholders joined the meeting after it had started, they still retained their voting rights for agenda items that were under consideration and had not yet been resolved.

During the 2024 AGM, the company implemented an electronic voting system to enhance efficiency in vote counting and tallying results. The Company Secretary provided clear instructions on the use of electronic ballots and vote-counting procedures before discussions on each agenda item commenced.

Attendance of Directors and Executives at the AGM

Recognizing the importance of the shareholders' meeting, the company encouraged the Board of Directors, the Chairpersons and members of subcommittees, key executives, and the external auditor to attend the AGM to provide additional information and respond to shareholder inquiries.

In 2024, the Chairman of the Board, the Chairpersons of all subcommittees, all directors, the CEO, and the Chief Financial Officer, along with the external auditor, attended the AGM to ensure transparency and comprehensive communication with shareholders.

Facilitation for Shareholders at the Meeting

Before the meeting commenced, the company arranged for staff to verify shareholder documents and confirm identities. Additionally, a Call Center was available to address shareholder inquiries and assist with any registration issues.

Meeting Proceedings

The company appointed Mr. Jom Jantama from TPC Law Firm as a legal advisor to ensure the accuracy of proxy verification, quorum count, and vote tallying. This ensured a transparent and efficient reporting of voting results for each agenda item.

The Chairman of the Board presided over the meeting, which was fully attended by all 10 directors (100%), along with the Chairpersons of subcommittees, senior executives, and the external auditor. Attendance was both in-person and via electronic means, allowing shareholders and proxy holders to receive answers to their questions.

Before the meeting started, the Company Secretary explained the voting procedures, stating that each shareholder and proxy holder was entitled to one vote per share. To streamline the vote-counting process, shareholders wishing to vote against or abstain were required to use the electronic voting system.

Transparency in the Meeting

During the meeting, there were no agenda modifications or alterations to pre-disclosed information. The Chairman encouraged shareholder participation, allowing equal opportunities to ask questions, express opinions, and provide suggestions. Directors and executives jointly responded, ensuring comprehensive and clear explanations. Meanwhile, the Company Secretary recorded the meeting details, including discussions and voting results.

Publication of Resolutions and Meeting Minutes

After the meeting, the company promptly published the meeting resolutions in both Thai and English on the Stock Exchange of Thailand (SET) website and the company's website on the same day. Additionally, the company submitted the official meeting minutes to the SET and published them on its website within 14 days.

Shareholders were given one month to provide comments or request amendments to the meeting minutes. The company retained these records for reference.

The meeting minutes included key details such as:

- Attendance of directors and executives
- Voting procedures
- Shareholder questions
- Responses from the Board and executives

- Voting results, showing approved, disapproved, and abstained votes for each agenda item

The company complied with SET deadlines by disclosing resolutions and submitting meeting minutes within the required timeframe. These documents were also published on the company's website to ensure transparency and accessibility for shareholders and stakeholders.

Providing Adequate Information to Shareholders

The company adhered to the AGM Checklist from the Thai Investors Association, ensuring shareholders received meeting invitations and related materials at least 30 days before the meeting via the company's website.

Additionally, the Thailand Securities Depository (TSD), acting as the company's registrar, sent physical invitations to shareholders at least 21 days in advance. Notices were also published in daily newspapers (both Thai and English) for three consecutive days. The invitation included:

- Meeting agenda details
- Supporting documents for decision-making

Key Disclosures at the Meeting

During the AGM, the company presented:

- 2023 financial performance highlights
- 2024 strategic business direction
- Updates on anti-corruption measures

Board Elections:

In 2024, three directors were due for re-election. Shareholders voted for each director individually, and the voting results were disclosed in detail in the meeting minutes.

Dividend Approval:

For the dividend agenda, the company disclosed its dividend policy, proposed payout amount, rationale, and comparative data from previous years. If the company proposed no dividend payment, an explanation and Board opinion were provided to assist shareholder decision-making.

Director Elections:

The company provided comprehensive profiles of nominated directors, including:

- Age
- Shareholding percentage
- Education & professional background
- Current positions in listed and non-listed companies
- Date of initial appointment as a company director
- Attendance record at Board and subcommittee meetings
- Type of directorship being nominated for

For independent directors, the company disclosed its independence criteria and detailed potential conflicts of interest (past and present) with the company, major shareholders, or entities with possible conflicts.

As part of standard practice, one-third (1/3) of the Board retired annually and stood for re-election individually. The vote tally included disapprovals and abstentions, and the individual results for each director were disclosed in the meeting minutes.

Board Compensation:

The company provided details on:

- Remuneration policies
- Methodology for determining compensation
- Compensation criteria for directors

Auditor Appointment & Fees:

The company disclosed comprehensive details on the proposed auditor, including:

- Name and firm affiliation
- Experience & qualifications
- Independence status
- Audit fees and other service fees

The AGM invitation clearly outlined the rationale and Board recommendations for each agenda item.

Communication Among Shareholders

The company does not restrict shareholder communication. Shareholders are free to access and exchange information among themselves. They can also request a copy of the shareholder register from the Department of Business Development, Ministry of Commerce.

2. Stakeholder Engagement and Sustainable Business Development

The company prioritizes the involvement of all stakeholders, both internal (employees and shareholders) and external (customers, business partners, competitors, creditors, regulatory bodies, surrounding communities, and the environment).

The company has established various channels for stakeholder feedback, including direct discussions and an online platform for submitting suggestions and complaints. All input is analyzed to develop improvement plans and mitigate negative business impacts effectively.

Stakeholder Involvement in Business Performance Enhancement

The company has enhanced its communication channels through its corporate website, allowing stakeholders—including customers, business partners, competitors, employees, shareholders, and creditors—to contribute suggestions that help strengthen the company's efficiency and stability.

Guidelines for Stakeholder Engagement

The Board of Directors has established guidelines for engagement with various stakeholder groups within the Corporate Governance Policy to ensure that all stakeholders receive fair treatment in accordance with their rights and agreements. The company's approach to each stakeholder group is as follows:

• Roles, Practices, and Responsibilities Toward Shareholders

The company is committed to conducting its business prudently and diligently, striving to achieve strong financial performance, competitive capability, and sustainable growth. It carefully considers both current and future risks to ensure long-term value creation for shareholders.

The company is obligated to operate with transparency and fairness, ensuring full and accurate disclosure of information for the benefit of all shareholders. Furthermore, the company undertakes comprehensive measures to safeguard its assets and uphold its corporate reputation, reinforcing its commitment to maximizing shareholder interests.

• Roles, Practices, and Responsibilities Toward Customers

The company considers customer satisfaction and trust as top priorities. Therefore, it is committed to innovation in product and service design, continuously improving processes to deliver high-quality products and exceptional services that prioritize customer needs and benefits. The company ensures accurate, complete, and non-misleading information disclosure regarding its products and services while promoting responsible advertising that does not create misunderstandings or take advantage of misinterpretations.

The company provides fair treatment to customers by refraining from imposing unfair trading conditions and ensures strict compliance with agreements made with customers through honest and consistent practices. It also safeguards customer confidentiality, ensuring that customer information is not disclosed unless authorized by the customer or required by law. The company does not engage in profiting from the disclosure of confidential customer information. In cases of uncertainty regarding customer data confidentiality, employees must consult their supervisors, legal officers, or the regulatory and internal audit department.

To enhance customer service quality, the company conducts customer satisfaction surveys and gathers feedback to improve its products and services. Additionally, it offers advisory services with due diligence to ensure customers and trade debtors receive appropriate benefits and satisfaction. It also addresses customer complaints regarding products and services, ensuring prompt investigation and resolution by the relevant departments.

The company has developed multiple communication channels to publicize financial products across the AIRA group via online platforms and has upgraded its digital financial services to ensure faster and more convenient access for customers, exceeding their expectations.

Furthermore, the company provides various channels for customers to submit complaints regarding its products and services to uphold fair financial consumer protection. If a customer expresses dissatisfaction, the company will promptly follow up for further details and use the feedback to enhance service quality.

Data Privacy and Protection

The company recognizes the importance of personal data protection for all stakeholders, including shareholders, employees, customers, trade debtors, and business partners. It manages, collects, and utilizes data with caution and responsibility, ensuring compliance with data privacy obligations.

To demonstrate transparency, the company published its Privacy Policy on its website on June 1, 2022 and has appointed two Data Protection Officers (DPOs) in accordance with the Personal Data Protection Act (PDPA) B.E. 2562:

- Director of Information Technology – Responsible for data protection in IT systems
- Director of Legal Affairs – Responsible for legal compliance and coordination with regulatory agencies

The company's personal data protection framework aligns with the PDPA to ensure data security and compliance with relevant regulations.

Complaint Management Performance (2024)

In 2024, the company did not receive any complaints through its designated reporting channels.

• Roles, Practices, and Responsibilities Toward Employees

Employees are valuable assets and a key factor in the company's business success. The company provides training programs to enhance employees' knowledge, skills, and capabilities consistently and equitably. It also encourages participation in external training and seminars with specialized institutions to develop employee potential to meet industry standards and contribute to the company's growth as a leading non-bank financial institution that delivers high-quality services to customers.

The company implements a fair and transparent human resource management system regarding appointments, transfers, rewards, and disciplinary actions, ensuring that all decisions are based on integrity, knowledge, competence, and suitability. The company respects human rights and personal rights, treating all employees with dignity while safeguarding necessary personal data as confidential. It strictly prohibits discrimination based on race, nationality, religion, gender, age, disability, or sexual orientation, as well as any other form of unlawful discrimination.

The company ensures that compensation and benefits are fair, appropriate, and comparable to industry standards. Employee remuneration is aligned with both short-term and long-term performance, including retirement compensation to promote financial security. Employee benefits include:

- Provident fund
- Social security fund
- Group health insurance
- Group life insurance
- Group accident insurance
- Annual health check-ups
- Financial assistance for employees on special occasions

The company prioritizes workplace safety, hygiene, and environmental standards, ensuring that the workplace supports efficient and comfortable working conditions for employees and customers. Employees are required to participate in annual fire drills, conducted by the building management, to enhance safety awareness.

The company is committed to fair, respectful, and professional employee treatment at all levels. It also emphasizes organizational culture development and maintaining a positive work environment.

Corporate Governance and Ethical Standards

The company communicates business objectives and strategies clearly to employees, ensuring alignment with corporate goals. It has established a Corporate Governance Policy and Code of Business Ethics, which provides a framework for employee conduct. Additionally, the company enforces an Anti-Corruption Policy to uphold honest and ethical business practices.

To ensure adherence, the company disseminates these policies to all employees, integrating them with internal regulations and monitoring compliance regularly.

The company upholds human rights principles, ensuring fair and equal treatment of employees without discrimination or human rights violations.

• Roles, Practices, and Responsibilities Toward Creditors and Guarantors

The company strictly adheres to contracts and commitments with its creditors and guarantors, ensuring compliance with loan objectives, fund utilization, repayment obligations, collateral quality maintenance, and other agreed-upon terms under applicable laws and regulations.

The company regularly reports financial status and information to creditors with accuracy and integrity. If it is unable to meet any financial condition or obligation, the company will promptly notify creditors to discuss and determine a reasonable resolution. The company is committed to maintaining long-term, trustworthy relationships with creditors based on mutual confidence.

To ensure financial stability and strength, the company has established capital management strategies to prevent liquidity shortages that could impact debt repayment. The company also implements liquidity management measures to ensure timely repayment of debts on schedule, covering all significant risk factors under both normal and crisis conditions.

Performance in the Past Year

In the past year, the company has fully complied with all financial conditions and contractual obligations without any incidents of default or overdue payments. This strong compliance has reinforced creditor and financial institution confidence in the company.

• Roles, Practices, and Responsibilities Toward Business Partners and Alliances

The company recognizes the significance of business partners, as their support contributes to the company's overall success. Therefore, the company ensures fair and equitable treatment for all business partners, establishing clear and appropriate contracts and strictly adhering to agreed-upon terms and conditions. A monitoring and management system is in place to ensure full compliance with contractual obligations. In cases where the company is unable to fulfill a condition, timely communication with business partners is prioritized to collaboratively determine a reasonable resolution.

The company has procurement policies and procedures that require the selection of vendors and contracting parties through a transparent and auditable process, ensuring the best possible benefits for the company. The company allows all qualified vendors to submit bids and strictly prohibits employees from accepting benefits from selected vendors.

The company's procurement process includes vendor sourcing, price comparison, and negotiation of terms to foster fair competition while securing the most beneficial agreements for the company. The vendor selection criteria consider product and service quality, expertise, past performance, financial stability, complaint history, reputation, reliability, after-sales service, and data security measures. As part of standard procurement procedures, the company evaluates and compares at least three vendors before selecting the most suitable one.

As part of its environmentally friendly procurement strategy, the company ensures that purchased office paper is environmentally sustainable, sourced from trees grown specifically for reforestation, in line with its environmental policies.

Furthermore, the company has strategic plans to enhance business partnerships, fostering collaboration by leveraging each

partner's expertise to strengthen business operations and service offerings. These efforts also expand the customer base through joint business development initiatives. Currently, the company collaborates with various business partners, including financial and securities companies within the AIRA Group, leading financial institutions, platform providers, and other major corporations.

Business Collaboration Development Plan

- **Business Synergy** with financial service companies within the AIRA Group: The company has conducted training programs for all marketing employees within the group to enhance their knowledge and understanding of the group's financial products and services. Additionally, objectives and strategic plans have been established to strengthen collaboration among group companies, including a commission structure for referring financial products and services within the group.
- **Business Partnership** with external business alliances: The company selects strategic partners operating in related industries to integrate and enhance mutual business capabilities. This collaboration is structured through formal agreements, ensuring clear terms and compensation models for joint business initiatives.

• Roles, Conduct, and Responsibilities Towards Competitors

The company operates its business in strict compliance with laws, regulations, and ethical standards. It has established control measures to prevent any unlawful acquisition or misuse of competitors' trade secrets. The company also refrains from tarnishing competitors' reputations or making unfounded accusations. Any attempt to increase sales by discrediting competitors' products and services is strictly against company policy. Instead, the company's strategy for business expansion focuses on offering superior products and services. Notably, in the past year, the company has had no legal disputes with competitors.

• Roles, Conduct, and Responsibilities Towards Communities, Society, and the Environment

The company strictly adheres to all relevant laws and regulations, ensuring that its business activities do not harm communities, society, or the environment. It does not seek profit at the expense of social responsibility.

The company is committed to balancing the interests of its organization, employees, customers, and shareholders with national economic and financial market development. It actively contributes to stable financial and capital market growth and leverages its business expertise to benefit communities and society at large.

The company fosters awareness and responsibility towards communities, society, and the environment among employees through regular training and awareness campaigns. Employees are encouraged to conserve resources and energy efficiently.

Furthermore, the company allocates budgets for community support and charitable activities, ensuring that its contributions extend beyond tax benefits. The company promotes strong and self-sufficient communities, enhancing quality of life and social well-being.

Related-Party Transactions

The company does not encourage transactions between the company and directors, executives, major shareholders, or related parties to avoid conflicts of interest. However, if such transactions are necessary, they must strictly comply with Connected Transaction regulations, ensuring a transparent and independent decision-making process that aligns with ethical standards.

Directors or executives with potential conflicts of interest must declare their interests before any transaction is considered and must abstain from decision-making on such matters. The Audit Committee has the authority to review and disclose these transactions per legal and stock exchange regulations, ensuring their reasonableness and fairness. In the past year, the company has not violated any related-party transaction regulations.

Securities Trading by Directors and Executives

All securities transactions by directors and executives must comply with fundamental regulatory requirements, ensuring fairness and ethical conduct. Such transactions must align with normal business practices and be conducted on terms comparable to those offered to general customers.

Intellectual Property Protection

Employees are responsible for safeguarding the company's confidential information and intellectual property, which includes:

- Confidential business information such as business plans, marketing strategies, financial reports, databases, customer information, and employee compensation details.
- Intellectual property assets such as trade secrets, patents, trademarks, and copyrights.

Unauthorized use or disclosure of this information is strictly prohibited and may result in civil and criminal penalties.

At the same time, the company respects the intellectual property rights of others and complies with relevant laws. Employees are prohibited from using patented, trademarked, or copyrighted materials without proper authorization, including unauthorized use of software or tools designed to bypass intellectual property protections.

3. Disclosure of Information and Transparency

Disclosure of information is a fundamental principle of good corporate governance. The company prioritizes accurate, complete, transparent, and timely disclosure of information through accessible and reliable channels. The company has undertaken the following measures:

- **Disclosure of Key Information**

The company ensures that both financial and non-financial information is disclosed accurately, comprehensively, transparently, and in a timely manner. This disclosure follows the requirements of relevant regulatory authorities and is made through channels such as the Stock Exchange of Thailand (SET), the annual information filing (56-1 One Report), the company's website (both in Thai and English), and media outlets, as appropriate. This ensures that shareholders receive complete and up-to-date information.

- **Clear Disclosure Procedures**

The company has established clear procedures for both regular and urgent disclosures to ensure that shareholders and investors receive information promptly. Financial reports, including audited and reviewed financial statements, as well as Management Discussion and Analysis (MD&A), are disclosed via the company's website.

- **Timely and Accessible Information**

The company has never delayed the submission of financial reports. All disclosed information is made available on the company's website, which is regularly updated to ensure ease of access, clarity, and bilingual availability (Thai and English). The company consistently updates and maintains the information to maximize its usefulness to stakeholders.

4. Responsibilities of the Board of Directors

Term of Office of Directors

According to Article 18 of the company's regulations, one-third (1/3) of the directors must retire at each Annual General Meeting of Shareholders (AGM). Retiring directors are eligible for re-election, resulting in an average director tenure of three years.

Independent Directors' Tenure

The company does not impose a nine-year limit on the tenure of independent directors. The Board has determined that serving beyond nine years does not compromise their independence. Independent directors continue to provide objective opinions and fulfill their duties independently while maintaining full compliance with:

- The company's independent director qualifications
- The Securities and Exchange Commission (SEC) requirements

Additionally, independent directors possess valuable expertise and industry knowledge, which significantly benefits the company.

Board of Directors Meetings

The company schedules board meetings and sets the agenda in advance for each year. The Company Secretary notifies the directors of the annual meeting schedule by the end of the preceding year to allow them to plan and attend the meetings accordingly. Typically, the Board of Directors meets quarterly, around the second week of the month, with the possibility of adjustments or additional meetings as deemed necessary. Each director is required to attend at least 75% of the total board meetings held in a given year, except in cases of valid and justifiable reasons.

The quorum for a Board of Directors meeting requires the presence of at least two-thirds (2/3) of the total number of directors. When passing resolutions, at least two-thirds (2/3) of the directors must be present to vote.

Each director is entitled to one vote when casting a decision. However, any director with a conflict of interest in a particular matter shall not have the right to vote on that issue. In the event of a tie vote, the Chairman of the meeting shall have an additional casting vote, which serves as the deciding vote. All Board of Directors' resolutions are passed by a majority vote of the directors present at the meeting.

The number of Board of Directors meetings is aligned with the duties, responsibilities, and obligations of the board, with a minimum of five meetings per year. In the year 2024 (2567), the board convened a total of six meetings. Additionally, there was one meeting held exclusively among independent directors and non-executive directors, without the presence of management, on December 17, 2024, to allow independent discussion regarding the company's management. The outcomes of this meeting were subsequently reported to the Board of Directors for acknowledgment.

When selecting agenda items for board meetings, the Chairman of the Board, the Chief Executive Officer (CEO), and the Chairman of the Audit Committee jointly determine topics based on their importance and necessity. However, each director has the independent authority to propose matters for inclusion in the Board of Directors meeting agenda.

The Company Secretary is responsible for organizing meetings and distributing the meeting invitations, agendas, and supporting documents to all directors at least five business days in advance of the meeting. This ensures that directors have adequate time to review the materials before attending. Exceptions are made in cases of urgent matters, where directors may request additional information from the Company Secretary as needed.

Each meeting agenda clearly specifies whether an item is presented for acknowledgment, approval, consideration, or regular follow-up on company performance.

The order of proceedings in Board of Directors meetings is structured by priority, starting with matters carried forward, followed by items for consideration, and concluding with informational updates. This structure ensures that board members utilize their meeting time efficiently. The Chairman of the Board ensures that sufficient time is allocated for management to present reports and for directors to engage in thorough discussions on critical issues.

After each meeting, a written meeting report is prepared and formally approved by the Board of Directors, ensuring transparency and making it accessible for review by directors and relevant stakeholders.

If a director has a conflict of interest, either direct or indirect, concerning an agenda item, they must disclose the conflict to the Board of Directors before discussions begin. The concerned director must not participate in the decision-making process for that agenda item. This disclosure is officially recorded in the meeting minutes to maintain transparency and accountability.

The Chairman of the Board encourages the Chief Executive Officer (CEO) to invite senior executives from relevant departments to board meetings. This allows for direct information sharing and fosters familiarity between management and the board.

Furthermore, the company provides board members with the opportunity to request additional information from the CEO, Managing Director, Company Secretary, or other senior executives, as long as the requests are within the defined corporate policy framework.

Directorship in Other Companies

The company recognizes the value of experience that directors gain from serving on boards of other organizations. However, to ensure that executive directors can fully dedicate their time and attention to their roles within the company, external directorships must not interfere with their responsibilities as a director of the company.

Under the corporate governance policy, directors are allowed to hold board positions in no more than five (5) listed companies on the Stock Exchange of Thailand (SET). Currently, no director holds board positions exceeding this limit. Additionally, company directors are prohibited from serving as a partner or director in private or public companies that operate in the same industry and compete directly with the company's business.

All newly appointed directors must disclose their external activities and interests upon assuming their directorship. Furthermore, all directors are required to report any changes regarding their external interests and activities to the company on an ongoing basis.

Directorship in Other Companies for Executives

The company recognizes the value of experience that the Chief Executive Officer (CEO) gains from serving as a director in other organizations.

Under the corporate governance policy, the CEO is permitted to hold a directorship in other companies, provided that:

1. It does not interfere with the CEO's ability to fulfill responsibilities within the company.
2. The other company does not operate in the same industry or compete directly with the company's business.
3. Prior approval must be obtained from the Board of Directors before assuming any directorship in another company.

Directorship in Other Companies for Executives

The company recognizes the value of experience gained by the Chief Executive Officer (CEO) from serving as a director in other organizations.

Under the corporate governance policy, the CEO is permitted to hold a directorship in other companies, provided that:

1. It does not interfere with the CEO's ability to perform responsibilities within the company.
2. The other company does not operate in the same industry or compete directly with the company's business.
3. Prior approval must be obtained from the Board of Directors before assuming any directorship in another company.

Orientation Program for New Directors

The company recognizes the importance of preparing new directors for their responsibilities. The Board of Directors mandates an orientation program for all newly appointed directors before assuming their roles, ensuring they understand the company's expectations, duties, responsibilities, governance policies, and operational framework.

The company secretary is responsible for coordinating the orientation, covering the following key areas:

1. Essential Information – Business structure, board composition, authority, and relevant legal frameworks.
2. General Business Knowledge – Company operations, business strategy, and strategic plans.
3. Meetings with Key Leadership – Arranging discussions with the Chairman of the Board and the CEO to gain in-depth insights into the company's business operations.

Succession Planning

The company has established a succession planning policy to ensure continuity in leadership, adaptability to changes, and the development of personnel for key positions. This policy is reviewed annually and outlines a comprehensive approach to identifying and developing future leaders, ensuring the organization has suitable leadership in the long term.

The succession planning process begins with identifying key positions, which include:

- Chief Executive Officer (CEO)
- Two levels of senior management below the CEO
- Critical positions essential to the organization

The Human Resources Department, in collaboration with the Nomination and Remuneration Committee, defines the necessary qualifications and competencies for each position based on job scope, responsibilities, and strategic direction.

The selection process for successors involves:

- Annual performance evaluations (Performance Appraisal)
- Competency assessments
- Appropriate testing tools
- Individual Development Plans (IDPs) to enhance skills and prepare employees for key positions

If internal candidates are not suitable, the company initiates an external search at least 8 months to 1 year before a position becomes vacant. This process involves public job postings or engaging recruitment agencies, ensuring efficient and sustainable leadership transition within the organization.

Monitoring and Strategy Implementation

The Board of Directors continuously reviews and refines the company's vision, mission, core values, and fundamental principles to ensure alignment with both short-term and long-term strategies and corporate plans.

The management team is responsible for monitoring progress and reporting strategic execution to the Executive Committee in monthly meetings. Additionally, a quarterly summary report is prepared and submitted to the Board of Directors to ensure that the company's strategies are being implemented systematically and effectively in pursuit of business goals and sustainable growth.

Corporate Governance Practices Not Yet Implemented

The company has yet to fully comply with three aspects of good corporate governance principles, as follows:

1. Independent Directors Holding Office for More than 9 Years

The Board of Directors has determined that serving as an independent director for more than 9 years does not compromise independence. Independent directors continue to provide opinions and perform their duties autonomously while meeting all qualifications required for independent directors under the company's criteria and the Capital Market Supervisory Board's regulations. Additionally, the company's independent directors possess expertise and knowledge that are highly beneficial to the company.

2. No Requirement for Directors and Senior Executives to Notify the Board Prior to Trading the Company's Shares

The company has not established a requirement for directors and senior executives to inform the Board at least one day in advance before executing transactions involving the company's shares.

3.No Separate Disclosure of CEO Compensation

The company does not disclose the CEO's compensation separately from the overall remuneration of senior executives.

6.3.3 Other corporate governance performance and outcomes

The Company's Board of Directors places great importance and is committed to operating under the principles of Good Corporate Governance. The aim is to ensure the company conducts business with transparency, good governance, and continuous compliance with the regulations of regulatory bodies. Due to this dedication, the company has received high recognition from relevant agencies, including awards and excellent assessments, as follows:

- **Received a perfect score of 100 points** In the 2024 Annual General Meeting Quality Assessment Project organized by the Thai Investors Association, the SEC Office, and the Listed Companies Association.
- Received an assessment level of **"Excellent"** in the 2024 Survey of Corporate Governance of Listed Companies in Thailand project, along with the symbol **5 Stars** from the Thai Institute of Directors Association.

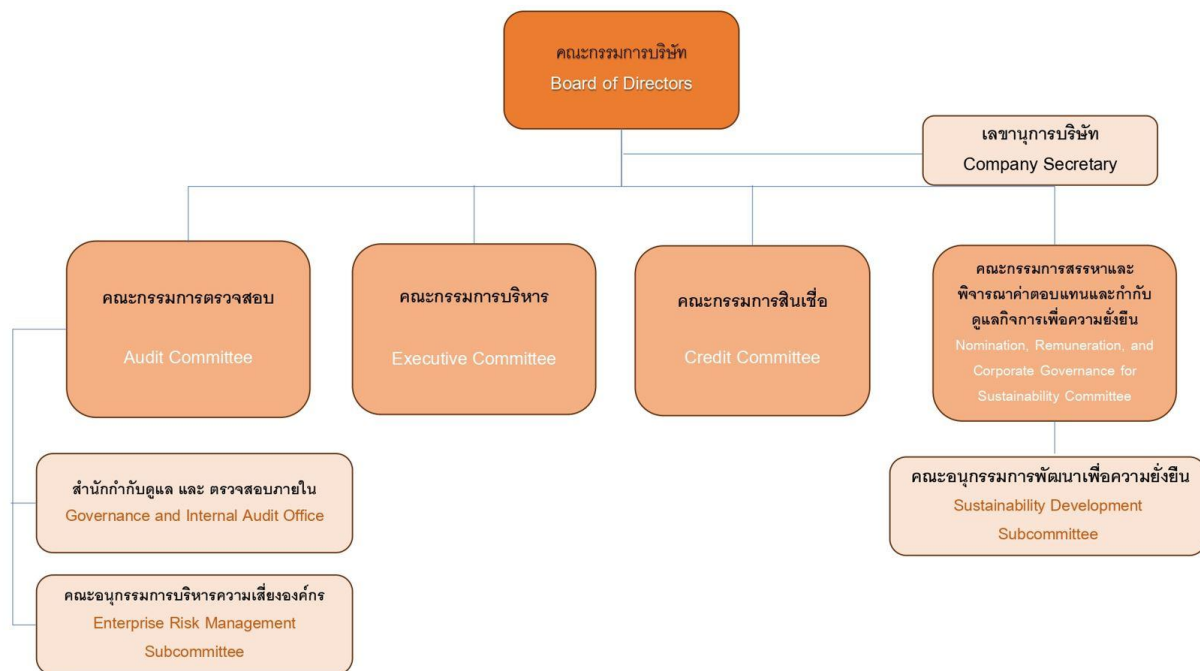
7. Corporate governance structure and significant information related to the board of directors, subcommittees, executives, employees, and others

7.1 Corporate governance structure

Corporate governance structure diagram

Corporate governance structure as of date : 31 December 2025

Corporate governance structure diagram



Corporate Governance Structure

7.2 Information on the board of directors

7.2.1 Composition of the board of directors

The Board of Directors comprises 10 highly qualified individuals with knowledge, abilities, expertise, and experience beneficial and necessary for the Company's business operations, such as finance and banking, accounting, economics, strategy, law, information technology, and ESG.

The composition of the Board of Directors complies with the notifications of the Securities and Exchange Commission and the regulations of the Stock Exchange of Thailand. The Board is diverse in terms of professional skills, expertise, age, gender, experience, and other important qualifications, as follows:

	Number (persons)	Percent (%)
Total directors	10	100.00
Male directors	6	60.00
Female directors	4	40.00
Executive directors	1	10.00
Non-executive directors	9	90.00
Independent directors	5	50.00
Non-executive directors who have no position in independent directors	4	40.00

7.2.2 The information on each director and controlling person

List of the board of directors

List of directors	Position	First appointment date of director	Skills and expertise
<p>1. Mr. SORASIT SOONTORNKES</p> <p>Gender: Male</p> <p>Age : 72 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Accounting</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p> <p>Shareholding in a company</p> <ul style="list-style-type: none"> • Direct shareholding : 0 Shares (0.000000 %) • Shareholding by persons related to directors, executives according to Section 59 ^(**) : 0 Shares (0.000000 %) 	<p>Chairman of the board of directors</p> <p>(Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	14 May 2018	Banking, Accounting, Finance, Audit, Law
<p>2. Mr. POONSAK THIAPAIAT</p> <p>Gender: Male</p> <p>Age : 60 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Finance</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : No</p> <p>Shareholding in a company</p> <ul style="list-style-type: none"> • Direct shareholding : 0 Shares (0.000000 %) • Shareholding by persons related to directors, executives according to Section 59 ^(**) : 0 Shares (0.000000 %) 	<p>Director</p> <p>(Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	25 Feb 2004	Governance/ Compliance, Risk Management, Strategic Management, Finance, Marketing

List of directors	Position	First appointment date of director	Skills and expertise
<p>3. Mrs. LADAVAN TANATANIT</p> <p>Gender: Female</p> <p>Age : 79 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Finance</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p> <p>Shareholding in a company</p> <ul style="list-style-type: none"> • Direct shareholding : 0 Shares (0.000000 %) • Shareholding by persons related to directors, executives according to Section 59 ^(**) : 0 Shares (0.000000 %) 	<p>Director (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Existing director</p>	1 Mar 2011	Risk Management, Strategic Management, Finance, Law, Banking
<p>4. Mr. VISIT VONGRUAMLARP</p> <p>Gender: Male</p> <p>Age : 75 years</p> <p>Highest level of education : Bachelor's degree</p> <p>Study field of the highest level of education : Accounting</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : Yes</p> <p>Shareholding in a company</p> <ul style="list-style-type: none"> • Direct shareholding : 0 Shares (0.000000 %) • Shareholding by persons related to directors, executives according to Section 59 ^(**) : 0 Shares (0.000000 %) 	<p>Director (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	29 Apr 2011	Banking, Risk Management, Finance, Accounting, Marketing

List of directors	Position	First appointment date of director	Skills and expertise
<p>5. Mrs. YAJAI PATTANASUKWASUN</p> <p>Gender: Female</p> <p>Age : 66 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Political Science</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p> <p>Shareholding in a company</p> <ul style="list-style-type: none"> • Direct shareholding : 0 Shares (0.000000 %) • Shareholding by persons related to directors, executives according to Section 59 ^(**) : 0 Shares (0.000000 %) 	<p>Director (Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	14 Aug 2014	Banking, Law, Accounting, Audit, Governance/ Compliance
<p>6. Mrs. NALINEE NGAMSETTAMAS</p> <p>Gender: Female</p> <p>Age : 65 years</p> <p>Highest level of education : Doctoral degree</p> <p>Study field of the highest level of education : Finance</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : No</p> <p>Shareholding in a company</p> <ul style="list-style-type: none"> • Direct shareholding : 0 Shares (0.000000 %) • Shareholding by persons related to directors, executives according to Section 59 ^(**) : 0 Shares (0.000000 %) 	<p>Director (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	10 Nov 2016	Law, Risk Management, Strategic Management, Corporate Management, Negotiation

List of directors	Position	First appointment date of director	Skills and expertise
<p>7. Mr. KUNAKORN MAKCHAIDEE</p> <p>Gender: Male</p> <p>Age : 69 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p> <p>Shareholding in a company</p> <ul style="list-style-type: none"> • Direct shareholding : 12,000,000 Shares (0.750000 %) • Shareholding by persons related to directors, executives according to Section 59 ^(**) : 0 Shares (0.000000 %) 	<p>Director</p> <p>(Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	10 Nov 2016	Internal Control, Audit, Risk Management, Accounting, Sustainability
<p>8. Mr. AKRAWIT SOOKSAI</p> <p>Gender: Male</p> <p>Age : 51 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Economics</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : Yes</p> <p>Shareholding in a company</p> <ul style="list-style-type: none"> • Direct shareholding : 0 Shares (0.000000 %) • Shareholding by persons related to directors, executives according to Section 59 ^(**) : 0 Shares (0.000000 %) 	<p>Director</p> <p>(Executive Directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	5 Jul 2018	Banking, Risk Management, Strategic Management, Corporate Management, Data Analysis

List of directors	Position	First appointment date of director	Skills and expertise
<p>9. Police Lieutenant Colonel NAVAPOL DAMRONGPONG Gender: Male Age : 66 years Highest level of education : Master's degree Study field of the highest level of education : Political Science Thai nationality : Yes Residence in Thailand : Yes Family relationship between directors and executives : Doesn't Have Legal offenses in the past 5 years ^(*) : Doesn't Have DAP course : Yes DCP course : No</p> <p>Shareholding in a company</p> <ul style="list-style-type: none"> • Direct shareholding : 0 Shares (0.000000 %) • Shareholding by persons related to directors, executives according to Section 59 ^(**) : 0 Shares (0.000000 %) 	<p>Director (Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	12 May 2020	Risk Management, Strategic Management, Leadership, Corporate Management, Negotiation
<p>10. Mrs. PORNPIAIB BURASAI Gender: Female Age : 62 years Highest level of education : Master's degree Study field of the highest level of education : Business Administration Thai nationality : Yes Residence in Thailand : Yes Family relationship between directors and executives : Doesn't Have Legal offenses in the past 5 years ^(*) : Doesn't Have DAP course : Yes DCP course : No</p> <p>Shareholding in a company</p> <ul style="list-style-type: none"> • Direct shareholding : 0 Shares (0.000000 %) • Shareholding by persons related to directors, executives according to Section 59 ^(**) : 0 Shares (0.000000 %) 	<p>Director (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	15 Nov 2023	Business Administration, Economics, Banking, Marketing, Strategic Management

Additional explanation :

(*) Any offense under the Securities and Exchange Act B.E. 2535 (1992) or the Derivatives Act B.E. 2546 (2003), only in the following cases:

(1) Dishonest act or gross negligence

(2) Disclosure or dissemination of false information or statements that may be misleading or conceal material facts that should be notified, which may affect decision making of shareholders, investors or other parties involved

(3) Unfair acts or exploitation of investors in trading securities or derivatives, or participation in, or support to, such acts.

(**) Shareholdings by persons related to directors or executives as prescribed in Section 59 of the Securities and Exchange Act B.E. 2535 (1992), such as spouses or cohabiting couple (unmarried couples living together openly), minor children, etc.

Diagram of the board of directors



List of the board of directors by position

List of the board of directors	Position	Executive directors	Non-executive directors	Independent directors	Non-executive directors who have no position in independent directors	Authorized directors as per the company's certificate of registration
1. Mr. SORASIT SOONTORNKES	Chairman of the board of directors		✓	✓		
2. Mr. POONSAK THIAPAIAT	Director		✓	✓		
3. Mrs. LADAVAN TANATANIT	Director		✓		✓	✓
4. Mr. VISIT VONGRUAMLARP	Director		✓		✓	
5. Mrs. YAJAI PATTANASUKWASUN	Director		✓	✓		
6. Mrs. NALINEE NGAMSETTAMAS	Director		✓		✓	✓

List of the board of directors	Position	Executive directors	Non-executive directors	Independent directors	Non-executive directors who have no position in independent directors	Authorized directors as per the company's certificate of registration
7. Mr. KUNAKORN MAKCHAIDEE	Director		✓	✓		
8. Mr. AKRAWIT SOOKSAI	Director	✓				✓
9. Police Lieutenant Colonel NAVAPOL DAMRONGPONG	Director		✓	✓		
10. Mrs. PORNPILAIB BURASAI	Director		✓		✓	✓
Total (persons)		1	9	5	4	4

Overview of director skills and expertise

Skills and expertise	Number (persons)	Percent (%)
1. Economics	1	10.00
2. Banking	6	60.00
3. Law	4	40.00
4. Marketing	3	30.00
5. Accounting	4	40.00
6. Finance	4	40.00
7. Sustainability	1	10.00
8. Data Analysis	1	10.00
9. Negotiation	2	20.00
10. Corporate Management	3	30.00
11. Leadership	1	10.00
12. Strategic Management	6	60.00
13. Risk Management	7	70.00
14. Audit	3	30.00
15. Internal Control	1	10.00
16. Governance/ Compliance	2	20.00
17. Business Administration	1	10.00

Information about the other directors

The chairman of the board and the highest-ranking executive are from the same person	: No
The chairman of the board is an independent director	: Yes
The chairman of the board and the highest-ranking executive are from the same family	: No
Chairman is a member of the executive board or taskforce	: No
The company appoints at least one independent director to determine the agenda of the board of directors' meeting	: No

The measures for balancing the power between the board of directors and the Management

The measures for balancing the power between the board of directors and the Management	: Yes
Methods of balancing power between the board of directors and Management	: Appointing an independent director to jointly consider the agenda of the board of directors' meeting

The Chairman of the Board is an independent director who participates in setting the agenda for the Board of Directors' meetings in conjunction with the Chief Executive Officer.

7.2.3 Information on the roles and duties of the board of directors

Board charter	: Yes
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Composition of the Board of Directors

The Board of Directors comprises no less than 5 and no more than 15 directors. At least half of the directors must reside in Thailand, and independent directors must constitute no less than one-third of the total number of directors. This ensures independent oversight and adherence to good corporate governance principles.

Qualifications of the Board of Directors

Members of the Board of Directors must meet the qualifications stipulated by law and the company's regulations. They should be qualified individuals with knowledge, abilities, and experience beneficial to the company. They must be able to perform their duties independently and dedicate sufficient time to the company's management.

Term of Office for Directors

Directors serve a term of 3 years and may be re-elected upon the expiration of their term. At each Annual General Meeting of Shareholders, one-third of the total number of directors must be rotated out of office. Directors may resign before the end of their term if they no longer meet the qualifications or for other reasons stipulated in the company's Articles of Association.

Board of Directors Meetings

The Board of Directors is required to hold at least 5 meetings per year, with agendas set in advance and opportunities for directors to propose agenda items. In the case of a director with a conflict of interest attending a meeting, that director must abstain from voting and deliberations on the matter to ensure transparency in management.

Quorum

A quorum for a Board meeting requires the attendance of at least half of all directors. The Chairman of the Board presides over the meeting. If the Chairman is unable to attend, the attending directors will elect one director to act as Chairman.

Voting and Decision-Making

Voting at Board meetings is conducted by a majority vote, with each director having one vote. In the event of a tie, the Chairman of the Board has the deciding vote. Voting on significant matters requires the presence of at least two-thirds of all directors.

Roles, Responsibilities, and Liabilities of the Chairman and the Board of Directors

Roles, Responsibilities, and Liabilities of the Chairman of the Board

The Chairman of the Board plays a vital role in leading Board and shareholder meetings, setting meeting agendas, and casting deciding votes in case of a tie. The Chairman must encourage directors to exercise their judgment carefully, provide shareholders

with equal opportunities to express their opinions, and ensure that meetings comply with the law and company regulations. Additionally, the Chairman must oversee the Board's effective performance in accordance with good corporate governance principles and foster a positive relationship between the Board and management to ensure smooth and efficient business operations.

Roles, Responsibilities, and Liabilities of the Board of Directors

The Board of Directors is responsible for overseeing the company's operations in compliance with the Public Limited Company Act, the Securities and Exchange Act, as well as the company's Articles of Association and shareholder resolutions. The Board must operate transparently and efficiently for the benefit of the company and its shareholders. It is responsible for setting the company's vision, mission, strategies, and policies, both short-term and long-term, while approving business plans, budgets, and targets. This ensures that the organization's direction aligns with the defined path and adheres to good governance principles and sustainable development (ESG) guidelines.

The Board of Directors is also responsible for considering and approving significant transactions, including investments, fundraising, and transactions related to the company's assets. These transactions must be conducted within the scope of authority and comply with the regulations of regulatory bodies. Furthermore, the Board must appoint and oversee the work of sub-committees to support management in accordance with company policies. This includes appointing the Chief Executive Officer and senior executives based on their qualifications and capabilities, as well as defining the authority for credit management, investment, and internal expenditures.

Risk management and internal control system oversight are other crucial responsibilities of the Board. The Board must review and assess the adequacy of the internal control system, including receiving audit reports from the Audit Committee, Internal Audit, and external auditors. This ensures appropriate risk mitigation measures are in place for stable business operations. Furthermore, the Board must conduct an annual self-evaluation and an evaluation of its sub-committees to facilitate continuous development and improvement.

The Board of Directors is responsible for overseeing the accurate, complete, and timely disclosure of the company's financial and general information to shareholders and stakeholders. It also promotes business ethics and an ethical corporate culture. Directors are required to attend at least 75% of the total number of meetings each year and may seek advice from external independent advisors or experts as needed. This ensures that the company's management is efficient, creates value for shareholders, and protects the interests of all stakeholders.

Principles of Delegation of Authority

Appointments or delegations of authority must be conducted with prudence. Individuals granted authority must not have conflicts of interest with the company and cannot approve transactions in which they or related parties may have a vested interest. Additionally, the scope of authority, duties, and responsibilities of those granted authority must be clearly defined to ensure efficient and transparent management.

Authority and Approval Power of the Board of Directors

The Board of Directors is responsible for overseeing and managing the company's operations in accordance with laws, regulations, and shareholder resolutions. It plays a crucial role in setting business direction and strategies, approving operational plans, annual budgets, and key policies such as risk management and corporate governance principles. Additionally, the Board has the authority to appoint and remove sub-committees, senior executives, and the company secretary. It also considers dividend payments, capital increases or reductions, amendments to the company's Articles of Association, and significant financial transactions such as borrowing, lending, and granting credit exceeding the authority of the executive committee. The Board's authority aims to ensure efficient, transparent management that aligns with the organization's sustainable growth objectives.

Remuneration

The Board of Directors delegates the Nomination and Remuneration Committee to establish the criteria and structure for director remuneration. This takes into account the company's performance and the remuneration of other companies in the same industry to ensure competitiveness and incentivize performance.

Performance Evaluation

The Board of Directors must evaluate its own performance and that of its sub-committees at least annually. The evaluation covers both the Board as a whole and individual members to facilitate continuous improvement. The evaluation results are disclosed in the annual report.

Charter Review

The Board of Directors will review the charter annually or as significant changes occur. This ensures that the charter's content remains current and aligned with relevant laws, regulations, and governance standards.

Reference link for the board charter : <https://airafactoring.co.th/wp-content/uploads/2024/12/0.1-%E0%B8%81%E0%B8%8E%E0%B8%9A%E0%B8%B1%E0%B8%95%E0%B8%A3%E0%B8%84%E0%B8%93%E0%B8%B0%E0%B8%81%E0%B8%A3%E0%B8%A3%E0%B8%A1%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B8%9A%E0%B8%A3%E0%B8%B4%E0%B8%A9%E0%B8%B1%E0%B8%97.pdf>

Page number of the reference link : 1-24

7.3 Information on subcommittees

7.3.1 Information on roles of subcommittees

Roles of subcommittees

Board of Directors

Role

- Audit of financial statements and internal controls
- Risk management
- Director and executive nomination
- Remuneration
- Corporate governance

Scope of authorities, role, and duties

1. Perform duties in accordance with the Public Limited Company Act, the Securities and Exchange Act, other relevant laws, the Company's objectives, articles of association, and resolutions of the shareholders' meeting, with transparency, good governance, efficiency, and for the benefit of the company and shareholders.
2. Establish a vision, mission, strategies, policies, short-term and long-term strategic goals, both financial and non-financial, business plans, approve the company's budget and operational plans, and support the company's operations by considering sustainable business practices. This includes prioritizing environmental, social, and governance (ESG) aspects, adapting to environmental changes, and considering various factors presented by management and approved by relevant subcommittees.
3. Consider and approve significant business transactions within the scope of authorized powers, as required by law or regulatory agencies.
4. Determine qualifications and appoint subcommittees to oversee management in accordance with policies, approve the authority and responsibilities of appointed subcommittees, and ensure an annual review of subcommittee roles and responsibilities.
5. Supervise, oversee, manage, and administer subcommittees to operate effectively and efficiently in line with approved policies, safeguarding the interests of all stakeholders and ensuring sustainable business operations. However, the following matters require shareholder approval before the board can proceed:
 - Matters stipulated by law to require shareholder resolutions, such as capital increases, capital reductions, bond issuance, acquisitions, disposals, or transfers of company businesses, mergers or acquisitions with other entities, amendments to the memorandum of association or articles of association, and director remuneration.
6. Consider the appointment of the Chief Executive Officer and senior executives as proposed by the Nomination and Remuneration Committee.
7. Consider and determine the authorization limits for the Chief Executive Officer, executives, and various subcommittees regarding credit lines, investments, incurring liabilities, or transactions similar to credit provision, including procurement, expenses, and operational expenditures, to ensure alignment with changing business conditions.
8. Implement an annual performance evaluation process for the Board of Directors, subcommittees, and the Chief Executive Officer.
9. Establish a robust executive succession planning process.
10. Assume responsibility for financial statements and financial information, ensuring accurate, timely, and compliant reporting of the company's financial data and general information to shareholders, stakeholders, and the public as required by law.
11. Acknowledge and review significant audit reports from the Audit Committee, internal audit, external auditors, and various

company advisors, taking appropriate corrective actions to address material weaknesses or deficiencies.

12. Evaluate and ensure the adequacy and effectiveness of the company's internal control and risk management systems.

13. Establish a code of business conduct and ethics for directors, executives, and employees as a guide for internal practices. Ensure the company discloses material corporate governance information to shareholders and the public accurately, completely, transparently, and in a timely manner (Duty of Disclosure).

14. Attend Board of Directors and shareholders' meetings, requiring directors to attend at least 75% of board meetings held annually, unless there are valid and justifiable reasons, in which case, prior notice must be given to the Chairman of the Board or the Company Secretary.

15. In performing their duties, the Board of Directors may seek advice from independent external consultants or experts in other professions if deemed necessary and appropriate.

16. Delegate authority to any person or group of persons to act on behalf of the company, except for the following matters, which require shareholder approval:

- Matters stipulated by law to require shareholder resolutions, such as capital increases, capital reductions, bond issuance, acquisitions, disposals, or transfers of company businesses, mergers or acquisitions with other entities, amendments to the memorandum of association or articles of association, and director remuneration.
- Transactions where a director has a conflict of interest and is subject to shareholder approval as required by law or regulations of the Stock Exchange.

Authority and Approval of the Board of Directors

The Board of Directors is responsible for managing all affairs of the company and has the authority to act within the scope of the law, the company's objectives, articles of association, and resolutions of the shareholders' meeting. This includes the authority to:

1. Determine the overall strategic direction and objectives of the company.
2. Approve the annual business plan and budget, including revenue and expenses.
3. Establish and approve policies as required by law or regulatory agencies, including key policies related to risk management, credit, and other business operations.
4. Approve the corporate governance policy and the code of business conduct.
5. Appoint, remove, and define the duties and responsibilities of subcommittees and senior executives.
6. Appoint and remove the Company Secretary.
7. Approve the payment or withholding of interim dividends to shareholders.
8. Propose capital increases, capital reductions, share value changes, amendments to the memorandum of association, articles of association, and/or company objectives to shareholders.
9. Approve loans, guarantees, and credit extensions exceeding the Board of Directors' authorization limits.
10. Approve the acquisition or disposal of assets and related party transactions in accordance with the regulations of the Securities and Exchange Commission.

Reference link for the charter

[https://airafactoring.co.th/wp-content/uploads/2024/12/0.1-](https://airafactoring.co.th/wp-content/uploads/2024/12/0.1-%E0%B8%81%E0%B8%8E%E0%B8%9A%E0%B8%B1%E0%B8%95%E0%B8%A3%E0%B8%84%E0%B8%93%E0%B8%B0%E0%B8%81%E0%B8%A3%E0%B8%A3%E0%B8%A1%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B8%9A%E0%B8%A3%E0%B8%B4%E0%B8%A9%E0%B8%B1%E0%B8%97.pdf)

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Audit Committee

Role

- Other
 - Please clarify

Scope of authorities, role, and duties

1. Review the company's financial reporting to ensure accuracy and adequacy.
2. Review the adequacy and effectiveness of the company's internal control and internal audit systems, consider the independence of the Internal Audit and Risk Management Department, and provide recommendations for the appointment, transfer, dismissal, and performance evaluation of the head of the Internal Audit and Risk Management Department or any other unit responsible for internal audit in collaboration with management.
3. Review the Risk Management Policy and risk management process to ensure that the operations are appropriate, efficient, and effective in accordance with the company's established criteria.
4. Review the company's compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, and other relevant laws and regulations.
5. Consider, select, and propose the appointment of independent persons to serve as the company's auditors, propose their remuneration, and attend meetings with the auditors without the presence of management at least once a year.
6. Consider related party transactions or conflict of interest transactions to ensure compliance with the law and the Stock Exchange of Thailand's regulations, and to ensure that such transactions are reasonable and in the best interests of the company.
7. Review and provide opinions on anti-fraud measures in terms of clarity, suitability, and consistency with the company's anti-corruption policy, as well as the process of implementing such measures effectively and efficiently.
8. Prepare an Audit Committee Report to be disclosed in the company's annual report. The report must be signed by the Audit Committee Chairman and must include at least the following information:
 - (a) Opinion on the accuracy, completeness, and reliability of the company's financial statements.
 - (b) Opinion on the adequacy of the company's internal control system.
 - (c) Opinion on compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, and other relevant laws and regulations.
 - (d) Opinion on the suitability of the auditors.
 - (e) Opinion on conflict of interest transactions.
 - (f) Number of Audit Committee meetings and attendance of each Audit Committee member.
 - (g) Overall opinions or observations of the Audit Committee from performing its duties as stipulated in the Charter.
 - (h) Other matters that the Audit Committee deems appropriate for shareholders and investors to be aware of, within the scope of its duties and responsibilities assigned by the Board of Directors.
9. Review and update the Audit Committee Charter annually or as necessary when there are changes in the regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission (SEC), or other relevant agencies, and submit it to the Board of Directors for approval.
10. Perform other duties as assigned by the Board of Directors with the approval of the Audit Committee.

The Audit Committee is directly responsible to the Board of Directors, and the Board of Directors remains responsible for the company's operations to external parties.

Reference link for the charter

<https://airafactoring.co.th/wp-content/uploads/2024/12/0.2.-%E0%B8%81%E0%B8%8F%E0%B8%9A%E0%B8%B1%E0%B8%95%E0%>

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93%E0%B8%B0%E0%B8%81%E0%B8%A3%E0%B8%A3%E0%B8%A1%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B8%95%E0%B8%A3%
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The Nomination and Remuneration Committee

Role

- Sustainability development
- Other
 - Identify and consider compensation

Scope of authorities, role, and duties

Recruitment:

1. Establish policies, criteria, and procedures for recruiting qualified individuals to serve as company directors, subcommittee members, Chief Executive Officer (CEO), and senior executives. This includes defining criteria and methods for determining compensation and benefits for the Board of Directors, subcommittees, CEO, and senior executives.
 2. Consider and determine the structure, size, and composition of the Board of Directors to ensure a diversity of skills, knowledge, and experience (Board Skill Matrix). Define the qualifications of the Board of Directors and subcommittee members to align with the company's strategies. Implement an assessment of the Board's skill diversity to ensure alignment with company strategies and responsiveness to future business changes.
 3. Oversee the search and selection of qualified individuals for Board of Director positions. Establish transparent criteria and procedures for recruitment and selection, considering experience, profession, skill diversity (Board Skills Matrix), and specific qualities essential to the company's operations. Submit recommendations to the Board of Directors for approval or to the Shareholders' Meeting for approval, as appropriate.
 4. Consider and propose qualified candidates for subcommittee positions to the Board of Directors for approval.
 5. Review the independence of the Board of Directors, including potential conflicts of interest that may arise in the performance of their duties.
 6. Review the qualifications and suitability of directors in the event of changes related to their qualifications.
 7. Oversee the search and selection of a qualified Chief Executive Officer. Establish transparent criteria and procedures for recruitment and selection, considering experience, knowledge, skills, essential qualities, and specific attributes necessary for the company's operations. Submit recommendations to the Board of Directors for approval.
 8. Oversee the recruitment, selection, and approval of qualified individuals for senior management positions*. Consider their experience, knowledge, skills, essential qualities, and specific attributes necessary for the company's operations. Provide recommendations to the Board of Directors for approval.
 9. Develop and review succession plans for the CEO, Managing Director, and senior executives to ensure continuity of leadership and a smooth transition of responsibilities.
- Note: * Senior executives refer to executives as defined by the SEC.

Compensation:

10. Establish guidelines and policies for determining compensation, including appropriate monetary and non-monetary benefits for the Chairman of the Board, directors, and subcommittee members. Consider factors such as responsibilities, accountability, and the need to attract, retain, and motivate qualified individuals. Submit recommendations to the Board of Directors for approval and to the Shareholders' Meeting for final approval.
11. Establish guidelines and policies for determining compensation, including appropriate monetary and non-monetary benefits for the CEO and senior executives. Consider factors such as responsibilities, accountability, and the need to attract, retain, and motivate qualified individuals. Submit recommendations to the Board of Directors for approval.

12. Review and recommend annual bonuses (if any), other benefits, and salary adjustments for senior executives and employees to the Board of Directors for approval.

Sustainability Governance:

13. Establish and review policies and guidelines based on good corporate governance principles, including provisions related to business ethics, anti-corruption, and anti-bribery. Present these to the Board of Directors along with recommendations on corporate governance practices.

14. Oversee the development of the company's sustainability policies, goals, strategies, and framework, including activities related to social responsibility, community engagement, and environmental stewardship. Review the implementation of sustainability governance and development initiatives for presentation to the Board of Directors.

15. Oversee the development and implementation of policies and practices related to sustainability and good corporate governance in accordance with international standards. Monitor compliance with these policies and practices.

16. Review the company's corporate governance and sustainability policies annually.

17. Review the company's Code of Conduct annually.

Other Responsibilities:

18. Review and evaluate the performance evaluation process for the Board of Directors and its subcommittees annually. Monitor and summarize the evaluation results for the Board's consideration to improve effectiveness.

19. Review and evaluate the performance evaluation process, evaluation forms, and conduct performance evaluations for the CEO.

20. Develop and implement a board development plan to enhance the knowledge and understanding of current and newly appointed

directors about the company's business, their roles and responsibilities, and key developments. Conduct orientation sessions and provide relevant materials and information to new directors.

21. Review and update the charter annually or as required by changes in regulations or guidelines set forth by the Stock Exchange of Thailand, the Securities and Exchange Commission (SEC), or other relevant authorities. Submit proposed amendments to the Board of Directors for approval.

22. Perform other duties as assigned by the Board of Directors and comply with all applicable regulations.

Reference link for the charter

[https://airafactoring.co.th/wp-content/uploads/2024/12/0.4-](https://airafactoring.co.th/wp-content/uploads/2024/12/0.4-%E0%B8%81%E0%B8%8F%E0%B8%9A%E0%B8%B1%E0%B8%95%E0%B8%A3%E0%B8%84%E0%B8%93%E0%B8%B0%E0%B8%81%E0%B8%A3%E0%B8%A3%E0%B8%A1%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B8%AA%E0%B8%A3%E0%B8%A3%E0%B8%AB%E0%B8%B2%E0%B9%81%E0%B8%A5%E0%B8%B0%E0%B8%9E%E0%B8%B4%E0%B8%88%E0%B8%B2%E0%B8%A3%E0%B8%93%E0%B8%B2%E0%B8%84%E0%B9%88%E0%B8%B2%E0%B8%95%E0%B8%AD%E0%B8%9A%E0%B9%81%E0%B8%97%E0%B8%99.pdf)

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Executive Committee

Role

- Other
- Management

Scope of authorities, role, and duties

The Executive Committee shall perform its duties as assigned by the Board of Directors, with the following scope of authority and responsibilities:

1. Establish strategic financial and non-financial directions and targets, both short-term and long-term, along with analyzing the environment and various factors for submission to the Board of Directors for approval.
2. Consider and refine the company's annual policies, operational plans, and budgets as proposed by the management for submission to the Board of Directors, and oversee that the operations are carried out effectively and efficiently in accordance with the approved policies and targets.
3. Consider and approve expenses incurred in the company's normal course of business and significant capital expenditures specified in the annual budget.
4. Consider, refine, and approve loans and debt restructuring within the scope of authority granted by the Board of Directors.
5. Have the authority to approve borrowings, provision of collateral, guarantees, issuance of debt instruments, debt restructuring with financial institutions, or any loan applications under the regulations delegated by the Board of Directors.
6. Act as an advisor to the management on policies related to finance, marketing, human resources, and other operational aspects.
7. Perform any other actions as assigned by the Board of Directors. However, this authority and delegation of power do not include the approval of transactions in which the Executive Committee members or individuals with conflicts of interest have a stake or conflicting interests with the company, according to the regulations of the Stock Exchange of Thailand. Approvals for such transactions must be submitted to the Board of Directors and/or the shareholders' meeting for consideration and approval, as required by the company's regulations or relevant laws.
8. Review and update the Executive Committee Charter annually or as changes occur, and submit it to the Board of Directors for approval.

Reference link for the charter

<https://airafactoring.co.th/wp-content/uploads/2024/12/0.3->

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Credit Committee

Role

- Other
 - Credit analysis

Scope of authorities, role, and duties

1. Consider and approve the following matters as assigned by the Board of Directors and/or the Executive Committee, which are beyond the management's approval authority, in accordance with the credit policy, including relevant orders and announcements:

- 1.1 Factoring, lending, and other types of credit.
- 1.2 Credit risk management.
- 1.3 Collateral.
- 1.4 Debt restructuring.

2. Review and consider requests for approval as per item 1 before submitting them for approval to the Executive Committee and/or the Board of Directors, according to the approval authority.

3. Provide advice or recommendations on credit risk management to the management to establish a quality customer and client base for the company.

4. Perform other duties as assigned by the Executive Committee and/or the Board of Directors.

5. Review and update the appropriateness of the Credit Committee Charter annually or as changes occur, and submit it to the Board of Directors for approval.

Reference link for the charter

[https://airafactoring.co.th/wp-content/uploads/2024/12/0.5-](https://airafactoring.co.th/wp-content/uploads/2024/12/0.5-%E0%B8%81%E0%B8%8E%E0%B8%9A%E0%B8%B1%E0%B8%95%E0%B8%A3%E0%B8%84%E0%B8%93%E0%B8%B0%E0%B8%81%E0%B8%A3%E0%B8%A3%E0%B8%A1%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B8%AA%E0%B8%B4%E0%B8%99%E0%B9%80%E0%B8%8A%E0%B8%B7%E0%B9%88%E0%B8%AD-1.pdf)

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Enterprise Risk Management Sub-Committee (ERM Sub-Committee)

Role

- Other
- Risk Management

Scope of authorities, role, and duties

1. Operate in accordance with the risk management framework, which consists of the following main steps: risk identification, risk assessment, risk monitoring and control, and risk reporting.
2. Establish risk management guidelines and tools to align with the company's risk governance framework.
3. Consider and deliberate on the company's risk management policies and guidelines, which must encompass various significant risk types such as strategic business risks, credit risks, liquidity risks, operational risks, and emerging risks. Discussions and exchanges of perspectives with the board of directors/assigned committees should be conducted to assess whether the risk management policies and guidelines comprehensively address all types of risks, including emerging ones, and ensure effective and efficient implementation.
4. Supervise and ensure that the company manages risks in accordance with its risk management policies and strategies.
5. Provide input on the development of new processes or products within the company, as well as on improvements to existing operations, before they are presented to the relevant approving authorities.
6. Review the adequacy of risk management policies and systems, including the effectiveness of policy implementation.
7. Evaluate performance at least annually and report the findings to the audit committee for their acknowledgment. The evaluation results should be used to enhance operational efficiency and achieve the established objectives.

Reference link for the charter

<https://airafactoring.co.th/wp-content/uploads/2025/03/%E0%B8%81%E0%B8%8E%E0%B8%9A%E0%B8%B1%E0%B8%95%E0%B8%A3%E0%B8%84%E0%B8%93%E0%B8%B0%E0%B8%AD%E0%B8%99%E0%B8%B8%E0%B8%81%E0%B8%A3%E0%B8%A3%E0%B8%A1%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B8%9A%E0%B8%A3%E0%B8%B4%E0%B8%AB%E0%B8%B2%E0%B8%A3%E0%B8%84%E0%B8%A7%E0%B8%B2%E0%B8%A1%E0%B9%80%E0%B8%AA%E0%B8%B5%E0%B9%88%E0%B8%A2%E0%B8%87-2025.pdf>

Sustainability Development Sub-Committee

Role

- Other
 - Develop for Sustainability

Scope of authorities, role, and duties

1. Operate in accordance with the sustainability policy, strategies, and development plans.
2. Develop and raise awareness about sustainability practices among internal and external stakeholders.
3. Prepare and present sustainability reports to the Nomination, Remuneration, and Corporate Sustainability Committee.
4. Promote and support value creation for stakeholders by integrating ethics, social responsibility, and environmental responsibility into the organization's activities.
5. Perform other duties or tasks as assigned by the Nomination, Remuneration, and Corporate Sustainability Committee.

Reference link for the charter

<https://airafactoring.co.th/wp-content/uploads/2025/03/%E0%B8%81%E0%B8%8E%E0%B8%9A%E0%B8%B1%E0%B8%95%E0%B8%A3%E0%B8%84%E0%B8%93%E0%B8%B0%E0%B8%AD%E0%B8%99%E0%B8%B8%E0%B8%81%E0%B8%A3%E0%B8%A3%E0%B8%A1%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B8%9E%E0%B8%B1%E0%B8%92%E0%B8%99%E0%B8%B2%E0%B9%80%E0%B8%9E%E0%B8%B7%E0%B9%88%E0%B8%AD%E0%B8%84%E0%B8%A7%E0%B8%B2%E0%B8%A1%E0%B8%A2%E0%B8%B1%E0%B9%88%E0%B8%87%E0%B8%A2%E0%B8%B7%E0%B8%99-2025.pdf>

7.3.2 Information on each subcommittee

List of audit committee

List of directors	Position	Appointment date of audit committee member	Skills and expertise
<p>1. Mrs. YAJAI PATTANASUKWASUN^(*)</p> <p>Gender: Female</p> <p>Age : 66 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Political Science</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Expertise in accounting information review : Yes</p>	<p>Chairman of the audit committee</p> <p>(Non-executive directors, Independent director)</p> <p>Director type : Existing director</p>	8 May 2023	Banking, Law, Accounting, Audit, Governance/ Compliance
<p>2. Mr. POONSAK THIAPAIAT</p> <p>Gender: Male</p> <p>Age : 60 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Finance</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Expertise in accounting information review : No</p>	<p>Member of the audit committee</p> <p>(Non-executive directors, Independent director)</p> <p>Director type : Continuing director (Full term of directorship and being re-appointed as a director)</p>	25 Feb 2004	Governance/ Compliance, Risk Management, Strategic Management, Finance, Marketing
<p>3. Mr. KUNAKORN MAKCHAIDEE^(*)</p> <p>Gender: Male</p> <p>Age : 69 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Expertise in accounting information review : Yes</p>	<p>Member of the audit committee</p> <p>(Non-executive directors, Independent director)</p> <p>Director type : Existing director</p>	8 May 2023	Internal Control, Audit, Risk Management, Accounting, Sustainability

Additional explanation :

(*) Directors with expertise in accounting information review

List of executive committee members

List of directors	Position	Appointment date of executive committee member
1. Mr. CHANON CHOTEVIJIT Gender: Male Age : 65 years Highest level of education : Master's degree Study field of the highest level of education : Law Thai nationality : Yes Residence in Thailand : Yes	Chairman of the executive committee	5 Jul 2018
2. Mrs. NALINEE NGAMSETTAMAS Gender: Female Age : 65 years Highest level of education : Doctoral degree Study field of the highest level of education : Finance Thai nationality : Yes Residence in Thailand : Yes	Member of the executive committee	1 Mar 2011
3. Mr. AKRAWIT SOOKSAI Gender: Male Age : 51 years Highest level of education : Master's degree Study field of the highest level of education : Economics Thai nationality : Yes Residence in Thailand : Yes	Member of the executive committee	5 Jul 2018
4. Mr. Ekawat Piriyawarasakul Gender: Male Age : 44 years Highest level of education : Master's degree Study field of the highest level of education : Law Thai nationality : Yes Residence in Thailand : Yes	Member of the executive committee	14 Dec 2021
5. Mr. Suthiporn Tanthikul Gender: Male Age : 62 years Highest level of education : Master's degree Study field of the highest level of education : Economics Thai nationality : Yes Residence in Thailand : Yes	Member of the executive committee	13 Aug 2019

List of directors	Position	Appointment date of executive committee member
6. Mr. Piroon Paireepairit Gender: Male Age : 57 years Highest level of education : Master's degree Study field of the highest level of education : Business Administration Thai nationality : Yes Residence in Thailand : Yes	Member of the executive committee	9 May 2024

List of executive committee members who resigned / vacated their position during the year

List of committee members	Position	Date of resignation / termination	Replacement committee member
1. Mrs. LADAVAN TANATANIT Gender: Female Age : 79 years Highest level of education : Master's degree Study field of the highest level of education : Finance Thai nationality : Yes Residence in Thailand : Yes	Member of the executive committee	24 Apr 2024	-

Other Subcommittees

Subcommittee name	Name list	Position
The Nomination and Remuneration Committee	Mrs. YAJAI PATTANASUKWASUN	Member of the subcommittee (Independent director)
	Mrs. NALINEE NGAMSETTAMAS	Member of the subcommittee
	Mr. POONSAK THIAPAIAT	The chairman of the subcommittee (Independent director)
Credit Committee	Mrs. Nongluk Chantarasombat	The chairman of the subcommittee
	Mr. Suthiporn Tanthikul	Member of the subcommittee
	Mr. AKRAWIT SOOKSAI	Member of the subcommittee
	Mr. Watana Sangvongmai	Member of the subcommittee

Subcommittee name	Name list	Position
Enterprise Risk Management Sub-Committee (ERM Sub-Committee)	Mr. AKRAWIT SOOKSAI	The chairman of the subcommittee
	Mr. Pongsakorn Sangvijit	Vice-chairman of the subcommittee
	Mr. Pattawut Veerapradit	Member of the subcommittee
	Mr. Sirisak Borisuitsawat	Member of the subcommittee
	Mr. Pipob Jirawongsakorn	Member of the subcommittee
	Mr. Sirivat Nuntagowit	Member of the subcommittee
Sustainability Development Sub-Committee	Mr. AKRAWIT SOOKSAI	The chairman of the subcommittee
	Mr. Pongsakorn Sangvijit	Vice-chairman of the subcommittee
	Mr. Pattawut Veerapradit	Member of the subcommittee
	Mr. Vutipong Kittichanteera	Member of the subcommittee
	Mrs. Pornsiri Kusolputchong	Member of the subcommittee

7.4 Information on the executives

7.4.1 List and positions of the executive

List of the highest-ranking executive and the next four executives

List of executives	Position	First appointment date	Skills and expertise
<p>1. Mr. AKRAWIT SOOKSAI</p> <p>Gender: Male</p> <p>Age : 51 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Economics</p> <p>Thai nationality : Yes</p> <p>Residing in Thailand : Yes</p> <p>Highest responsibility in corporate accounting and finance : No</p> <p>Accounting supervisor : No</p>	Chief Executive Officer (The highest-ranking executive)	5 Jul 2018	Banking, Risk Management, Strategic Management, Corporate Management, Data Analysis
<p>2. Mr. PONGSAKORN SANGVIJIT</p> <p>Gender: Male</p> <p>Age : 43 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Economics</p> <p>Thai nationality : Yes</p> <p>Residing in Thailand : Yes</p> <p>Highest responsibility in corporate accounting and finance : No</p> <p>Accounting supervisor : No</p>	Board of Directors	15 Dec 2022	Banking, Marketing, Data Analysis, Risk Management, Negotiation
<p>3. Mr. Pattawut Veerapradit^(*)</p> <p>Gender: Male</p> <p>Age : 52 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Management</p> <p>Thai nationality : Yes</p> <p>Residing in Thailand : Yes</p> <p>Highest responsibility in corporate accounting and finance : Yes</p> <p>Accounting supervisor : No</p>	Assistant Manager, Finance and Administration	16 Dec 2019	Business Administration, Accounting, Finance, Sustainability, Budgeting
<p>4. Mr. Pipob Jirawongsakorn</p> <p>Gender: Male</p> <p>Age : 54 years</p> <p>Highest level of education : Bachelor's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residing in Thailand : Yes</p> <p>Highest responsibility in corporate accounting and finance : No</p> <p>Accounting supervisor : No</p>	Assistant Manager, Credit Operations	12 Nov 2019	Accounting, Business Administration, Finance, Data Analysis, Negotiation

List of executives	Position	First appointment date	Skills and expertise
5. Mr. Sirisak Borisuitsawat Gender: Male Age : 48 years Highest level of education : Master's degree Study field of the highest level of education : Business Administration Thai nationality : Yes Residing in Thailand : Yes Highest responsibility in corporate accounting and finance : No Accounting supervisor : No	Assistant Managing Director, Risk Management and Problem Loan Resolution	14 Dec 2023	Business Administration, Law, Engineering, Banking, Risk Management
6. Mr. Wandej Lertpricha ^(***) Gender: Male Age : 44 years Highest level of education : Master's degree Study field of the highest level of education : Computer Science Thai nationality : Yes Residing in Thailand : Yes Highest responsibility in corporate accounting and finance : No Accounting supervisor : No	Assistant Managing Director, Information Technology (Maintenance)	18 Feb 2025	Business Administration, IT Management

Additional Explanation :

(*) Highest responsibility in corporate accounting and finance

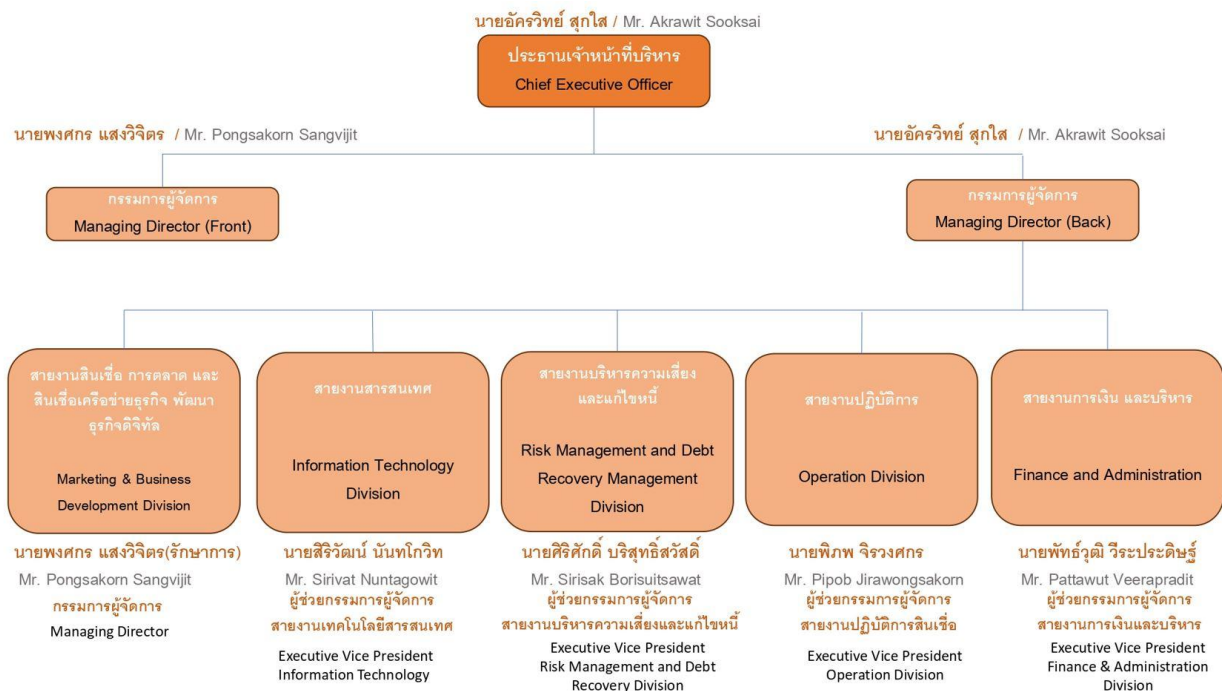
(**) Accounting supervisor

(***) Appointed after the fiscal year end of the reporting year

Organization structure diagram of the highest-ranking executive and the next four executives

Organization structure of the highest-ranking executive and the : 31 Dec 2024
next four executives as of date

Organization structure diagram of the highest-ranking executive and the next four executives from the top executive



7.4.2 Remuneration policy for executive directors and executives

Remuneration for executives and senior management is determined based on individual performance and the company's overall performance. Remuneration is linked to the achievement of both short-term and long-term strategic goals. The performance measurement methods are appropriate, aligned with the organization's operational plan, and consider value creation for the company and its shareholders. Remuneration is set at a level commensurate with the roles and responsibilities of executives in driving organizational growth toward its objectives and is competitive compared to similar-sized companies in the same industry.

Remuneration Structure

It is divided into two main parts:

- (1) **Fixed compensation** such as salary and benefits, to provide financial security and basic motivation for work.
- (2) **Performance-based compensation.** such as performance-based bonuses, which depend on the achievement of organizational goals and the executive's performance evaluation.

The remuneration structure is designed to motivate executives to focus on organizational development and promote sustainable growth.

The remuneration consideration process is carried out by the Nomination and Remuneration Committee, which considers executive remuneration according to established criteria. This includes considering the company's performance, executive capabilities, and industry trends. The committee then submits its recommendations to the Board of Directors for approval. This transparent process aligns with good corporate governance principles, ensuring that remuneration is appropriate, incentivizes performance, and serves as a key mechanism for driving sustainable organizational growth.

Does the board of directors or the remuneration committee : Yes
have an opinion on the remuneration policy for executive
directors and executives

The Board of Directors and the Nomination and Remuneration Committee have considered and agreed that the remuneration for executives is appropriate and reasonable. This is because it is in accordance with the criteria that take into account the Company's operating results and the executives' ability to drive the organization to achieve its business goals, both in the short and long term. The remuneration has been designed in accordance with good practices, consistent with industry standards, and competitive in the labor market to enable the Company to attract and retain highly capable executives.

7.4.3 Remuneration of executive directors and executives

Monetary remuneration of executive directors and executives

	2022	2023	2024
Total remuneration of executive directors and executives (baht)	17,113,205.00	12,909,850.00	18,290,767.00
Total remuneration of executive directors (baht)	530,000.00	540,000.00	475,000.00
Total remuneration of executives (baht)	16,583,205.00	12,369,850.00	17,815,767.00

- The executive compensation structure is divided into 2 parts:

(1) Fixed compensation, such as salary and benefits.

(2) Performance-based compensation, such as bonuses, which vary based on the company's operating results and the ability to achieve business goals.

- For the Board of Directors, the remuneration received is a meeting allowance, which is determined by the number of board meetings attended.

Other remunerations of executive directors and executives

	2022	2023	2024
Company's contribution to provident fund for executive directors and executives (Baht)	595,224.00	431,505.00	567,050.00

Provident Fund:

In addition to salary, bonuses, and contributions to the Provident Fund, employees are provided with appropriate benefits in line with the economic conditions and the Company's operating performance in both the short and long term.

The Company has established the Thai Panich Master Fund Provident Fund, which is already registered and managed by Thai Panich Asset Management Co., Ltd. The main objective is to boost the morale of employees and to encourage them to work with the Company in the long term. As of December 31, 2024, there were 42 employees participating in the Provident Fund out of a total of 88 employees, representing 47.7% of the total workforce.

Outstanding remuneration or benefits of executive directors and executives

Outstanding remuneration or benefits of executive directors : 0.00
and executives in the past year

Estimated remuneration of executive directors and executives : 19,022,397.00
in the current year

7.5 Information on employees

Information on the company's employees

Employees

	2022	2023	2024
Total employees (persons)	84	86	88
Male employees (persons)	38	37	37
Female employees (persons)	46	49	51

Number of employees by position and department

Number of male employees by position

	2022	2023	2024
Total number of male employees in operational level (Persons)	18	12	16
Total number of male employees in management level (Persons)	15	19	15
Total number of male employees in executive level (Persons)	5	6	6

Number of female employees by position

	2022	2023	2024
Total number of female employees in operational level (Persons)	24	16	28
Total number of female employees in management level (Persons)	22	33	23

Number of employees categorized by department over the past year

Department / Line of work / Unit / Business group	Number of employees
Credit Operations	25
Information Technology	7
Finance and Administration	18
Credit and Marketing	24
Risk Management and Debt Resolution	8
Office of the Chief Executive Officer	4
Internal Audit Department	2
Total number of employees	88

Significant changes in the number of employees

Significant changes in number of employees over the past 3 : No
Years

Information on employee remuneration

Employee remuneration

	2022	2023	2024
Total employee remuneration (baht)	67,912,017.40	55,910,243.01	59,965,186.37
Total male employee remuneration (Baht)	33,097,449.50	31,381,127.78	33,080,267.78
Total female employee remuneration (Baht)	34,814,567.90	24,529,115.23	26,884,918.59

Provident fund management policy

Provident fund management policy : Doesn't Have

Provident fund for employees (PVD)

	2022	2023	2024
Number of employees joining in PVD (persons)	35	37	42
Proportion of employees who are PVD members (%)	41.67	43.02	47.73
Total amount of provident fund contributed by the company (baht)	2,123,314.95	1,818,999.61	2,049,350.10

7.6 Other significant information

7.6.1 Assigned person

List of persons assigned for accounting oversight

General information	Email	Telephone number
1. Ms. Cholathorn Chaidaeng	cholathorn.c@airafactoring.co.th	026576222 ต่อ 555

List of the company secretary

General information	Email	Telephone number
1. Mrs. Pornsiri Kusolputchong	pornsiri.k@airafactoring.co.th	026576222 ต่อ 241

List of the head of internal audit or outsourced internal auditor

General information	Email	Telephone number
1. Ms. Somjai Amornchainoppakun	somjaia@airafactoring.co.th	026576222 ต่อ 601

List of the head of the compliance unit

General information	Email	Telephone number
1. Ms. Somjai Amornchainoppakun	somjaia@airafactoring.co.th	026576222 ต่อ 601

7.6.2 Head of investor relations

Does the Company have an appointed head of investor relations : Yes

List of the head of investor relations

General information	Email	Telephone number
1. Mrs. Pornsiri Kusolputchong	pornsiri.k@airafactoring.co.th	026576222 ต่อ 220

7.6.3 Company's auditor

Details of the company's auditor

Audit firms	Audit fee (Baht)	Other service fees	Names and general information of auditors
EY OFFICE LIMITED 33RD FLOOR, LAKE RAJADA OFFICE COMPLEX, 193/136-137 RAJADAPISEK ROAD KHLONG TOEI KHLONG TOEI Bangkok 10110 Telephone +66 2264 9090	1,320,000.00	-	<p>1. Mrs. POONNARD PAOCHAROEN Email: Poonnard.Wattanawong@th.ey.com License number: 5238</p> <p>2. Ms. SUMANA PUNPONGSANON Email: Sumana.Punpongsanon@th.ey.com License number: 5872</p> <p>3. Ms. ORAWAN TECHAWATANASIRIKUL Email: Orawan.Techawatanasirikul@th.ey.com License number: 4807</p> <p>4. Ms. KIRDSIRI KANJANAPRAKASIT Email: Kirdsiri.Kanjanaprakasit@th.ey.com License number: 6014</p>

7.6.4 Assigned personnel in case of a foreign company

Does the company have any individual assigned to be : No
representatives in Thailand

8. Report on key operating results on corporate governance

8.1 Summary of duty performance of the board of directors over the past year

Summary of duty performance of the board of directors over the past year

The Board of Directors of AIRA Factoring Public Company Limited has strictly adhered to the Board Charter throughout 2024 to ensure that the company's business operations are conducted in accordance with the principles of Good Corporate Governance, transparency, accountability, and consideration for the interests of shareholders and all stakeholders.

In the past year, the Board of Directors has considered and set the organization's strategic direction to align with short-term and long-term goals, including monitoring management performance, overseeing risk management and internal control, considering remuneration and compensation for directors and executives, as well as approving significant transactions that impact the company.

Furthermore, the Board is committed to conducting business ethically, disclosing information accurately and transparently, and reviewing the Board Charter to ensure it remains current and aligned with legal requirements and best practices.

Key performance results are as follows:

1. Review and Define Corporate Vision, Strategies, and Policies

- The Board of Directors has reviewed and defined the corporate vision, mission, and strategies to align with the company's short-term and long-term goals, taking into account economic, social, and industry trends.
- Provided strategic guidance to management to ensure that the company's business operations are in line with the defined direction and can adapt effectively to changing circumstances.
- Focuses on Sustainable Development by integrating Environmental, Social, and Governance (ESG) principles into the corporate strategy to enable the company to create long-term value for stakeholders.
- Prioritizes strategic risk management to ensure that the company is prepared to address business opportunities and challenges.

2. Supervision and Monitoring of Management Performance

- The Board of Directors continuously monitors and oversees the performance of management to ensure that the company's business operations are in line with the established strategic plan and goals.
- Reviewed and approved the company's annual business plan and budget, including quarterly performance monitoring, to ensure that results are on track and strategies can be adjusted to suit economic conditions and industry trends.
- Monitors the performance of the Chief Executive Officer (CEO) and senior management team to ensure that management aligns with the company's policies and strategies.
- The Board of Directors provides support and guidance to management in conducting business by providing direction in efficient resource management, promoting innovation and organizational development to enhance the company's long-term competitiveness.

3. Good Corporate Governance

- The Board of Directors conducts corporate governance in accordance with the principles of Good Corporate Governance by performing its duties with honesty, integrity, transparency, and accountability to all stakeholders.
- Established corporate governance and management guidelines in accordance with international standards to ensure that the company's business operations are conducted correctly, transparently, and are auditable.
- In 2024, the Board of Directors held 6 meetings to closely monitor the company's performance and ensure that business operations are on track with established goals and strategies.
- An annual performance evaluation of the Board of Directors and subcommittees is conducted using clear and systematic evaluation criteria to inform the development and improvement of governance processes for greater effectiveness.

4. Risk Management and Internal Control

- The Board of Directors has continuously overseen and reviewed the risk management policy, including the risk management plan, to ensure that the company can effectively manage risks and withstand economic fluctuations and external factors that may impact the business.
- Acknowledged the Audit Committee's report on the internal control system and oversaw the company's improvement of the internal

control system to align with international standards to enhance audit efficiency and mitigate operational risks.

- The Board of Directors monitors the company's risk management performance, prioritizing risk identification and assessment at all levels, including defining appropriate mitigation measures and risk reduction strategies.
- Ensured that the company strictly complies with relevant laws, regulations, and rules to ensure that the company operates in accordance with regulations and maintains transparency in its operations.

5. Governance and Ethics Management

- The Board of Directors places great importance on good governance and ethical business practices, ensuring that the company operates in accordance with the principles of Good Corporate Governance and international standards.
- The company monitors and ensures the accurate, complete, and transparent disclosure of financial and general information to enable shareholders, investors, and stakeholders to access important information equally and fairly.
- The Board of Directors oversees the company's adherence to business ethics by encouraging employees and executives at all levels to operate with honesty, integrity, responsibility, and respect for rules, regulations, and fair practices.

6. Consideration of Remuneration and Compensation for Directors and Senior Executives

- The Board of Directors has overseen and considered the remuneration and compensation of directors and senior executives fairly and transparently, with a review process based on appropriate and equitable criteria.
- Remuneration for directors and executives is considered in line with the company's performance, taking into account profitability, management efficiency, and success in achieving organizational goals.
- The Board of Directors has established a competitive compensation structure within the same industry to attract and retain highly skilled personnel.
- The criteria for providing various forms of remuneration, such as Fixed Pay, Performance-based Pay, bonuses, and other benefits, are considered to incentivize and motivate directors and executives to perform at their highest potential.
- The Board prioritizes transparency and disclosure of information regarding remuneration, reporting remuneration data of directors to shareholders and stakeholders in accordance with established criteria.

7. Consideration and Approval of Significant Company Transactions

- The Board of Directors has considered and approved significant company transactions, such as related party transactions, in accordance with the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The transparency of related party transactions is reviewed, and measures to prevent conflicts of interest are established to ensure that the company's transactions are fair and in line with best practices.
- The Board reviews and approves the company's key plans to ensure that operations align with business strategies and create long-term value for shareholders.

8. Review and Update of the Board Charter

- The Board of Directors continuously reviews and updates the Board Charter to ensure that it is up-to-date and consistent with laws, regulations, and the principles of Good Corporate Governance.
- The Charter review is in line with the best practices of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).
- The roles, responsibilities, and accountability of the Board have been reviewed and adjusted to align with the company's management structure, including establishing clear governance guidelines to enable the Board to perform its duties effectively.
- In 2024, the Board of Directors reviewed the Board Charter at the 6/2024 Board Meeting on December 17, 2024, to ensure that the Charter remains up-to-date, appropriate for the company's business context, and aligned with good governance principles, as well as relevant laws and regulations.

8.1.1 Selection, development and evaluation of duty performance of the board of directors

Information about the selection of the board of directors

List of directors whose terms have ended and have been reappointed

List of directors	Position	First appointment date of director	Skills and expertise
Mr. POONSAK THIAPAIKAT	Director (Non-executive directors, Independent director)	25 Feb 2004	Governance/ Compliance, Risk Management, Strategic Management, Finance, Marketing
Mrs. NALINEE NGAMSETTAMAS	Director (Non-executive directors)	10 Nov 2016	Law, Risk Management, Strategic Management, Corporate Management, Negotiation
Mr. AKRAWIT SOOKSAI	Director (Executive Directors)	5 Jul 2018	Banking, Risk Management, Strategic Management, Corporate Management, Data Analysis
Mrs. PORNPIAIB BURASAI	Director (Non-executive directors)	15 Nov 2023	Business Administration, Economics, Banking, Marketing, Strategic Management

Selection of independent directors

Criteria for selecting independent directors

AIRA Factoring Public Company Limited conducts the recruitment of independent directors based on the principles of transparency, fairness, and good corporate governance to ensure that independent directors can perform their duties effectively and without conflicts of interest. The recruitment process emphasizes the qualifications of independent directors and is carried out in accordance with the prescribed criteria.

Criteria for the Recruitment of Independent Directors

- The recruitment of independent directors is based on transparency and in line with the company's business strategy.
- Taking into account the structure and composition of the Board of Directors, which must have independent directors in the prescribed proportion.
- Importance is placed on the diversity of the Board of Directors in terms of skills, experience, knowledge, abilities, and age.
- Independent directors must possess the qualifications stipulated by the Securities and Exchange Commission and be able to safeguard the interests of all shareholders equally.
- Must be able to attend board meetings and express opinions independently.
- Independent directors must comply with **Definition of Independent Directors of the Company** Such as
 - o Holding not more than 1 percent of the total voting rights of the company.
 - o Not being or having been an executive director, employee, staff member, or consultant receiving regular salary from the company or its affiliated companies.
 - o No blood relationship or legal relationship with directors, executives, or major shareholders.
 - o No business or professional relationships that could hinder independence.

Qualifications of Independent Directors

Independent directors must possess the qualifications stipulated by the Securities and Exchange Commission and must be able to safeguard the interests of all shareholders equally and without conflict of interest. In addition, they must be able to attend board meetings and express their opinions independently. The Company has stipulated that independent directors must meet the definition of independent directors as follows:

- 1) Holding not more than one percent of the total voting rights of the company, subsidiaries, affiliated companies, major shareholders, or controlling persons of the company. This includes the shareholding of related persons of such independent directors.
- 2) Not being or having been an executive director, employee, staff member, consultant receiving regular salary, or controlling person of the company, subsidiaries, affiliated companies, companies at the same tier, major shareholders, or controlling persons of the company, unless such characteristics have ceased to exist for at least two years prior to the date of filing the application with the Office. However, such prohibited characteristics do not include cases where the independent director was a government official or advisor to a government agency that is a major shareholder or controlling person of the company.
- 3) Not being a person who has a blood relationship or a relationship by registration under the law in the nature of father, mother, spouse, sibling, and child, including the spouse of a child, of other directors, executives, major shareholders, controlling persons, or persons to be proposed as directors, executives, or controlling persons of the company or subsidiaries.
- 4) Not having or having had a business relationship with the company, subsidiaries, affiliated companies, major shareholders, or controlling persons of the company in a manner that could hinder the exercise of their independent judgment, and not being or having been a material shareholder or controlling person of a person who has a business relationship with the company, subsidiaries, affiliated companies, major shareholders, or controlling persons of the company, unless such characteristics have ceased to exist for at least two years prior to the date of filing the application with the Office.
Business relationships under (4) include regular commercial transactions for business purposes, lease of real estate, transactions relating to assets or services, or the provision or receipt of financial assistance by way of borrowing or lending, guarantees, provision of assets as security for debts, including other similar acts, which result in the company or the counterparty having a debt obligation payable to the other party of at least three percent of the net tangible assets of the company or twenty million baht, whichever is lower. The calculation of such debt obligations shall be in accordance with the method of calculating the value of connected transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Connected Transactions by analogy. However, in considering such debt obligations, the debt obligations arising during the one-year period prior to the date of having a business relationship with the same person shall be included.
- 5) Not being or having been an auditor of the company, subsidiaries, affiliated companies, major shareholders, or controlling persons of the company, and not being a material shareholder, controlling person, or partner of an audit firm to which the auditor of the company, subsidiaries, affiliated companies, major shareholders, or controlling persons of the company belongs, unless such characteristics have ceased to exist for at least two years prior to the date of filing the application with the Office.
- 6) Not being or having been a provider of any professional services, including legal or financial advisory services, who has received fees exceeding two million baht per year from the company, subsidiaries, affiliated companies, major shareholders, or controlling persons of the company, and not being a material shareholder, controlling person, or partner of such professional service provider, unless such characteristics have ceased to exist for at least two years prior to the date of filing the application with the Office.
- 7) Not being a director appointed to represent the directors of the company, major shareholders, or shareholders who are related to major shareholders.
- 8) Having no other characteristics that would prevent them from providing independent opinions on the company's operations.
- 9) Not engaging in a business that is identical and materially competitive with the business of the company or its subsidiaries, or not being a material partner in a partnership, or being an executive director, employee, staff member, consultant receiving regular salary, or holding more than one percent of the total voting rights of another company that engages in a business that is identical and materially competitive with the business of the company or its subsidiaries.
- 10) Not being a director assigned by the Board of Directors to make decisions in the operation of the company, subsidiaries, affiliated companies, companies at the same tier, major shareholders, or controlling persons of the company, and not being a director of the company, subsidiaries, or companies at the same tier.
- 11) After being appointed as an independent director who possesses the characteristics as stipulated in paragraph one (1) to (9), the independent director may be assigned by the Board of Directors to make decisions in the operation of the company, subsidiaries, affiliated companies, companies at the same tier, major shareholders, or controlling persons of the company by means of a collective decision.

12) The provisions of (2), (4), (5), and (6), insofar as they require consideration of the qualifications of independent directors of the company during the two-year period prior to the date of filing the application with the Office, shall apply to applications filed with the Office from July 1, 2010 onwards.

13) In the event that a person appointed by the company as an independent director has or has had a business relationship or professional service exceeding the value specified in paragraph one (4) or (6), the company may be granted a waiver of the prohibition on having or having had such business relationship or professional service exceeding such value only if the company has obtained the opinion of the Board of Directors demonstrating that it has considered in accordance with Section 89/7 that the appointment of such person will not affect the performance of duties and the provision of independent opinions. The company must also disclose the following information in the notice of the shareholders' meeting in the agenda item for considering the appointment of independent directors:

- A. The nature of the business relationship or professional service that disqualifies such person from meeting the prescribed criteria.
- B. The reasons for and necessity of maintaining or appointing such person as an independent director.
- C. The opinion of the Board of Directors of the company in proposing the appointment of such person as an independent director.

Independent Director Recruitment Process

Sources of Independent Director Candidates

The Nomination and Remuneration Committee will consider recruiting independent directors from various sources, such as:

- Nominations from the Board of Directors.
- Nomination by shareholders holding in aggregate not less than 5 percent of the total voting rights of the company.
- Recommendations from external consulting firms.
- Director database of the Thai Institute of Directors Association (IOD Director Pool).

Selection and Qualification Assessment

- Considering the appropriateness of the structure and composition of the Board of Directors by using the Board Skills Matrix to assess the need for skills and expertise of independent directors.
- The Nomination and Remuneration Committee will select individuals who meet the specified qualifications and submit the list to the Board of Directors for consideration.

Nomination and Approval of Appointment

- The Nomination and Remuneration Committee proposes the list of shortlisted candidates to the Board of Directors for approval.
- If approved, the list of candidates will be proposed to the shareholders' meeting for consideration and approval of the appointment.

Consideration for Renewal of Independent Directors

- Independent directors who have completed their terms can be nominated for reappointment. The Nomination and Remuneration Committee will consider various factors such as
 - o Past performance.
 - o Continuity in work administration.
 - o Attendance and participation in Board activities.
- The Nomination and Remuneration Committee will propose the list of directors who have completed their terms to the Board of Directors for consideration and propose to the shareholders' meeting for approval.

The independent director recruitment process of Ira Factoring Public Company Limited is designed to be transparent, fair, and in accordance with good corporate governance principles. It considers a diverse range of sources, conducts selection based on established criteria, and proposes suitable director candidates for consideration by the Board of Directors and shareholders to ensure that the independent directors can perform their duties effectively and independently from external influence.

Business or professional relationships of independent directors over the past year

Business or professional relationships of independent : No
directors over the past year

Selection of directors and the highest-ranking executive

Method for selecting directors and the highest-ranking executive

Method for selecting persons to be appointed as directors through the nomination committee	: Yes
Method for selecting persons to be appointed as the highest-ranking executive through the nomination committee	: Yes

Number of directors from major shareholders

Number of directors from each group of major shareholders over the past year (persons)	: 1
--	-----

Rights of minority shareholders on director appointment

The Company places importance on the principles of good corporate governance and the promotion of shareholder rights, including those of minority shareholders, to ensure that all shareholder groups can participate equally in the Company's management. One of the important rights of minority shareholders is the right to nominate a person for consideration for appointment as a director of the Company, which is in accordance with the established criteria and procedures, as follows:

Right to Nominate Persons for Appointment as Directors

Minority shareholders have the right to nominate suitable persons for consideration for appointment as directors of the Company, subject to the following criteria set by the Company:

- Shareholders holding, in aggregate, not less than 5 percent of the total number of shares entitled to vote of the Company have the right to nominate a person for consideration for appointment as a director of the Company.
- Nominations for directors must be made in writing and submitted to the Company within the specified timeframe prior to the shareholders' meeting.
- The nominated person must meet the qualifications prescribed by law, the Company's Articles of Association, and the criteria of the Stock Exchange of Thailand (SET), including not having any prohibited characteristics as specified by the Securities and Exchange Commission (SEC).

Consideration and Appointment Process for Directors Nominated by Minority Shareholders

- The Nomination and Remuneration Committee will consider the qualifications of the nominated directors based on their skills, experience, and suitability for the structure of the Board of Directors.
- If the nominated person meets the specified qualifications, the Board of Directors will submit the name to the shareholders' meeting for consideration and approval of the appointment.
- The appointment of a director must be approved by a majority vote of the shareholders' meeting, with voting conducted in accordance with the procedures specified in the Company's Articles of Association.

Promoting the Rights of Minority Shareholders

- The Company has a policy of providing an opportunity for minority shareholders to nominate suitable persons for consideration for appointment as directors of the Company in advance of the Annual General Meeting of Shareholders (AGM) to promote participation and transparency in corporate governance. In 2023, the Company accepted nominations between October 1 and December 31, 2023. However, no shareholders nominated any persons for consideration this year.
- Disclosing the criteria and procedures for nominating directors to shareholders through the Company's website and other appropriate channels.
- The Company places importance on the appointment of independent directors and encourages minority shareholders to participate in corporate governance.

Minority investors have the right to nominate persons for consideration for appointment as directors, subject to the specified criteria and consideration by the Nomination Committee before being submitted to the shareholders' meeting for consideration. The Company encourages minority shareholders to participate in the director appointment process to ensure that the Board of Directors is diverse and able to perform its duties effectively in accordance with good corporate governance principles.

Method of director appointment : Method whereby each director requires approval votes more than half of the votes of attending shareholders and casting votes

Setting qualifications for the selection of directors

The Company sets the criteria for the recruitment of directors in accordance with good corporate governance standards, taking into consideration the appropriateness of the board structure, diversity of skills, experience, and capabilities beneficial to business operations. This ensures that the Board of Directors can perform its duties effectively, transparently, and independently from external influences.

Qualifications of those selected as company directors:

Company directors must possess appropriate qualifications according to the following criteria:

- Possess qualifications and are free from prohibited characteristics as stipulated by the Public Limited Companies Act and other relevant laws, including the regulations of the Securities and Exchange Commission (SEC).
- Possess knowledge, abilities, skills, or experience that are appropriate and aligned with the company's business strategies.
- Be able to dedicate sufficient time to the company, including being able to attend board meetings and perform duties for the benefit of the company to the fullest extent.
- Possess integrity, morality, and ethical conduct in business operations, including the ability to govern the company with transparency.

Details of qualifications for the selection of directors

Qualifications, knowledge, or experience	Skill and expertise
<p>The essential skills, knowledge, and experience required for the Board of Directors encompass eight areas:</p> <ol style="list-style-type: none"> 1. Business / Management 2. Strategic Planning 3. Accounting - Finance / Internal Audit / Governance 4. Lending Business / Financial Institutions / Factoring Business 5. Risk / Enterprise Risk Management 6. Business-related Law 7. Information Technology 8. ESG 	<p>Law, Accounting, Finance, Sustainability, IT Management</p>

Information on the development of directors

Development of directors over the past year

The Company attaches great importance to developing the knowledge and skills of its directors, executives, and personnel involved in corporate governance to enable them to perform their duties effectively, in accordance with international standards, and in response to the changing business environment. Therefore, the Company continuously supports participation in training, seminars, and knowledge development courses from recognized organizations or institutions such as the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand, and the Thai Listed Companies Association.

Currently, all of the Company's directors have completed the director training program organized by IOD, selecting training courses that are appropriate and relevant to their roles and responsibilities. As a result, 100% of the Board of Directors have received training in courses specifically designed for directors.

Details of the directors' training courses from IOD are as follows:

- Directors Accreditation Program (DAP) for 7 persons out of 10 directors.
- Directors Certification Program (DCP) for 6 persons out of 10 directors.
- Audit Committee Program (ACP) for 2 persons out of 10 directors.
- Audit Committee Program (ACP) for 2 persons out of 10 directors.
- Director Leadership Certificate Program – DLCP for 2 persons out of 10 directors.
- Role of Chairman Program (RCP) for 2 persons out of 10 directors.
- Corporate Governance for Capital Market Intermediaries (CGI) for 1 person out of 10 directors.
- Chartered Director for 1 person out of 10 directors.
- IT Governance and Cyber Resilience Program for 1 person out of 10 directors.
- Risk Management Program for Corporate Leader for 1 person out of 10 directors.
- Finance for Non-Finance Director (FN) for 1 person out of 10 directors.
- Strategic Board Master Class (SBM) for 1 person out of 10 directors.

However, the Company Secretary will assist in informing all directors, including new directors, of any necessary training courses on a regular basis.

In addition, the Company also encourages the Company Secretary to attend various training courses and seminars on relevant and current issues organized by the Securities and Exchange Commission, the Stock Exchange of Thailand, the Thai Listed Companies Association, and other related agencies on a regular basis to benefit their work. The Company has encouraged the directors to continuously develop their knowledge in performing their duties.

Over the past year, the Company's directors have performed their duties with honesty, integrity, and adherence to ethical principles. There have been no instances of misconduct related to ethics in the Company's operations.

Details of the development of directors over the past year

List of directors	Participation in training in the past financial year	History of training participation
1. Mr. SORASIT SOONTORNKES Chairman of the board of directors	Participating	Other <ul style="list-style-type: none"> • 2024: E-learning Course: Fundamentals of ESG for Boards of Directors • 2024: Describe how important ESG knowledge is to business operations. • 2024: Seminar: "Preventing and Combating Inappropriate Conduct in Listed Companies" • 2024: Online Director Briefing 1/2024: ESG Integration for Sustainable Business Success • 2024: Workshop on "Designing for Success: Transformational Strategies for Organizations" • 2024: Amendments to the Significant Information Disclosure Criteria (MT) and Related Party Transactions Disclosure Criteria (RPT) for Listed Companies • 2024: SET ESG Professionals Forum 2024: Innovative and Adaptive Governance: Leading Boards Excellence
2. Mr. POONSAK THIAPAIKAT Director	Participating	Other <ul style="list-style-type: none"> • 2025: Director Forum 2025: Future-Ready Boards: Board Nomination and Compensation Strategies • 2024: E-learning Course: Fundamentals of ESG for Boards of Directors • 2024: Describe how important ESG knowledge is to business operations. • 2024: Seminar: Preventing, Addressing, and Eliminating Inappropriate Conduct in Listed Companies • 2024: Online Director Briefing 1/2024: ESG Integration for Sustainable Business Success • 2024: Workshop on "Designing for Success: Transformational Strategies for Organizations" • 2024: Amendments to the Criteria for Material Information Disclosure (MT) and Related Party Transactions (RPT) for Listed Companies • 2024: SET ESG Professionals Forum 2024: Innovative and Adaptive Governance: Leading Boards Excellence

List of directors	Participation in training in the past financial year	History of training participation
3. Mrs. LADAVAN TANATANIT Director	Participating	<p>Other</p> <ul style="list-style-type: none"> • 2024: E-learning Course: Fundamentals of ESG for Board of Directors • 2024: Describe how important ESG knowledge is to business operations. • 2024: Seminar on "Prevention, Suppression, and Elimination of Inappropriate Practices in Listed Companies" • 2024: Online Director Briefing 1/2024: ESG Integration for Sustainable Business Success • 2024: Workshop on "Designing for Success: Transformational Strategies for Organizations" • 2024: Amendments to the Criteria for Material Information Disclosure (MT) and Related Party Transactions (RPT) for Listed Companies • 2024: SET ESG Professionals Forum 2024: Innovative and Adaptive Governance: Leading Boards Excellence
4. Mr. VISIT VONGRUAMLARP Director	Participating	<p>Other</p> <ul style="list-style-type: none"> • 2024: E-learning Course: Fundamentals of ESG for Boards of Directors • 2024: Describe how important ESG knowledge is to business operations. • 2024: Seminar: "Preventing and Combating Inappropriate Conduct in Listed Companies" • 2024: Online Director Briefing 1/2024: ESG Integration for Sustainable Business Success • 2024: Workshop on "Designing for Success: Transformational Strategies for Organizations" • 2024: Amendments to the Criteria for Material Information Disclosure (MT) and Related Party Transactions (RPT) for Listed Companies • 2024: SET ESG Professionals Forum 2024: Innovative and Adaptive Governance: Leading Boards Excellence

List of directors	Participation in training in the past financial year	History of training participation
5. Mrs. YAJAI PATTANASUKWASUN Director	Participating	<p>Other</p> <ul style="list-style-type: none"> • 2025: Director Forum 2025: Future-Ready Boards: Board Nomination and Compensation Strategies • 2024: E-learning Course: Fundamentals of ESG for Boards of Directors • 2024: Describe how important is ESG knowledge to business operations? • 2024: Seminar: "Preventing and Combating Inappropriate Conduct in Listed Companies" • 2024: Online Director Briefing 1/2024: ESG Integration for Sustainable Business Success • 2024: Workshop on "Designing for Success: Transformational Strategies for Organizations" • 2024: Amendments to the Criteria for Material Information Disclosure (MT) and Related Party Transactions (RPT) for Listed Companies • 2024: SET ESG Professionals Forum 2024: Innovative and Adaptive Governance: Leading Boards Excellence
6. Mrs. NALINEE NGAMSETTAMAS Director	Participating	<p>Other</p> <ul style="list-style-type: none"> • 2025: Director Forum 2025: Future-Ready Boards: Board Nomination and Compensation Strategies • 2024: E-learning Course: Fundamentals of ESG for Boards of Directors • 2024: Describe how important ESG knowledge is to business operations. • 2024: Seminar on "Prevention, Suppression, and Elimination of Inappropriate Practices in Listed Companies" • 2024: Online Director Briefing 1/2024: ESG Integration for Sustainable Business Success • 2024: Workshop on "Designing for Success: Transformational Strategies for Organizations" • 2024: Amendments to the Criteria for Material Information Disclosure (MT) and Related Party Transactions (RPT) for Listed Companies • 2024: SET ESG Professionals Forum 2024: Innovative and Adaptive Governance: Leading Boards Excellence

List of directors	Participation in training in the past financial year	History of training participation
7. Mr. KUNAKORN MAKCHAIDEE Director	Participating	<p>Other</p> <ul style="list-style-type: none"> • 2024: E-learning Course: Fundamentals of ESG for Boards of Directors • 2024: Describe how important ESG knowledge is to business operations. • 2024: Seminar on "Prevention, Suppression, and Elimination of Inappropriate Practices in Listed Companies" • 2024: Online Director Briefing 1/2024: ESG Integration for Sustainable Business Success • 2024: Workshop on "Designing for Success: Transformational Strategies for Organizations" • 2024: Amendments to the Criteria for Material Information Disclosure (MT) and Related Party Transactions (RPT) for Listed Companies • 2024: SET ESG Professionals Forum 2024: Innovative and Adaptive Governance: Leading Boards Excellence
8. Mr. AKRAWIT SOOKSAI Director	Participating	<p>Thai Institute of Directors (IOD)</p> <ul style="list-style-type: none"> • 2024: Strategic Board Master Class (SBM) <p>Other</p> <ul style="list-style-type: none"> • 2024: E-learning Course: Fundamentals of ESG for Boards of Directors • 2024: Describe how an understanding of ESG (Environmental, Social, and Governance) is important to a company's operations. • 2024: Seminar on "Preventing, Protecting, and Suppressing Inappropriate Conduct of Listed Companies" • 2024: Online Director Briefing 1/2024: ESG Integration for Sustainable Business Success • 2024: Workshop on "Designing for Success: Transformational Strategies for Organizations" • 2024: Amendments to the Criteria for Material Information Disclosure (MT) and Related Party Transactions (RPT) for Listed Companies • 2024: SET ESG Professionals Forum 2024: Innovative and Adaptive Governance: Leading Boards Excellence • 2024: Leadership Program on Trade and Development Strategy Class #1

List of directors	Participation in training in the past financial year	History of training participation
9. Police Lieutenant Colonel NAVAPOL DAMRONGPONG Director	Participating	Other <ul style="list-style-type: none"> • 2024: E-learning Course: Fundamentals of ESG for Boards of Directors • 2024: Describe how important ESG knowledge is to business operations. • 2024: Seminar on "Prevention, Suppression, and Elimination of Inappropriate Practices in Listed Companies" • 2024: Online Director Briefing 1/2024: ESG Integration for Sustainable Business Success • 2024: Workshop on "Designing for Success: Transformational Strategies for Organizations" • 2024: Amendments to the Criteria for Material Information Disclosure (MT) and Related Party Transactions (RPT) for Listed Companies • 2024: SET ESG Professionals Forum 2024: Innovative and Adaptive Governance: Leading Boards Excellence
10. Mrs. PORNPILAIB BURASAI Director	Participating	Thai Institute of Directors (IOD) <ul style="list-style-type: none"> • 2024: Director Accreditation Program (DAP) Other <ul style="list-style-type: none"> • 2024: E-learning Course: Fundamentals of ESG for Board of Directors • 2024: Describe how important ESG knowledge is to business operations. • 2024: Seminar: "Preventing and Combating Inappropriate Conduct in Listed Companies" • 2024: Online Director Briefing 1/2024: ESG Integration for Sustainable Business Success • 2024: Workshop on "Designing for Success: Transformational Strategies for Organizations" • 2024: Amendments to the Criteria for Material Information Disclosure (Form MT) and Related Party Transactions Disclosure (Form RPT) for Listed Companies • 2024: SET ESG Professionals Forum 2024: Innovative and Adaptive Governance: Leading Boards Excellence

Information on the evaluation of duty performance of directors

Criteria for evaluating the duty performance of the board of directors

The company places importance on evaluating the performance of the Board of Directors and all sub-committees. This evaluation is conducted both individually and as a committee at least once a year. This allows the Board to review their roles and responsibilities, as well as the effectiveness of their corporate governance. The evaluation results are also used as crucial information for management to improve and develop more efficient management practices.

The Board's self-assessment form is designed by referencing the Stock Exchange of Thailand's sample form, with modifications to suit the specific characteristics of each committee. Additionally, the company analyzes the evaluation results and reports them to the Board of Directors meeting to be used as a guideline for improving management's operational performance.

Evaluation Criteria

The company mandates an annual performance evaluation of the Board of Directors, all sub-committees (both individually and as a committee), and the Chief Executive Officer at least once a year.

Evaluation Method

The evaluation utilizes a 5-level rating system, ranging from 0-4, as follows:

0 = Strongly disagree, or the matter has not been implemented.

1 = Disagree, or the matter has been minimally implemented.

2 = Agree, or the matter has been moderately implemented.

3 = Agree somewhat, or the matter has been well implemented.

4 = Strongly agree, or the matter has been excellently implemented.

N/A = No information or not applicable.

Evaluation Process and Procedures

Evaluation Form Review

The Nomination and Remuneration Committee plays a crucial role in reviewing and considering the performance evaluation form of the Board of Directors and the Chief Executive Officer. This ensures that the evaluation form encompasses all aspects of corporate governance and effectively reflects operational efficiency. Once reviewed, the Nomination and Remuneration Committee will present the evaluation form to the Board of Directors meeting for approval as the annual evaluation form. This aims to elevate the standards of the Board's performance and enhance the company's management efficiency.

Evaluation Process

In 2024, the Board of Directors reviewed and approved the performance evaluation form at the 6/2024 Board meeting to be used as a guideline for the annual evaluation. Subsequently, the meeting secretary of each committee distributed the evaluation forms to each director for self-assessment, both individually and as a committee. The evaluation process is designed to comprehensively and systematically reflect the roles, duties, and responsibilities of the directors.

Results Summary and Presentation

The company secretary is responsible for collecting and analyzing the evaluation results, as well as preparing a summary report to be presented to the Board of Directors and sub-committees for acknowledgement. The evaluation results will be used as crucial information for developing and improving the Board and management's operational approaches to enhance the effectiveness of corporate governance.

Evaluation of the duty performance of the board of directors over the past year

In 2024, there are topics for evaluating the performance of the Board of Directors and sub-committees as follows:

Performance Evaluation of the Board of Directors as a Group

Performance Evaluation Topics : There are 6 categories, totaling 74 items, consisting of the structure and qualifications of the committee, roles, duties and responsibilities of the committee, committee meetings, the functioning of the committee, relationships with the management, and self-development of the committee and management development.

Performance Evaluation of Individual Board Members

Performance Evaluation Topics: There are 10 categories, totaling 44 items, consisting of the structure and qualifications of the Board of Directors, Board meetings, roles, duties and responsibilities of the Board of Directors, outstanding knowledge and abilities, independence, readiness to perform duties, attentiveness to duties and responsibilities, performance of duties on the Board of Directors, vision in creating long-term value for the business, and relationships with the Board of Directors and management.

Performance Evaluation of the Audit Committee as a Group

Performance Evaluation Topics: There are 6 categories, totaling 50 items, consisting of the composition of the Audit Committee, training and resources, meetings, activities of the Audit Committee, relationships with the Head of Regulatory and Internal Audit, auditors and management, and the future role of the Audit Committee.

Performance Evaluation of Individual Audit Committee Members

Performance Evaluation Topics: There are 3 categories, totaling 12 items, consisting of the structure and qualifications of the Audit Committee, meetings, roles, duties, and responsibilities.

Performance Evaluation of the Nomination and Remuneration Committee as a Group

Performance Evaluation Topics: There are 3 categories, totaling 23 items, consisting of the structure and qualifications of the Nomination and Remuneration Committee, meetings, roles, duties, and responsibilities.

Performance Evaluation of Individual Nomination and Remuneration Committee Members

Performance Evaluation Topics: There are 3 categories, totaling 13 items, consisting of the structure and qualifications of the Nomination and Remuneration Committee, meetings, roles, duties, and responsibilities.

Details of the evaluation of the duty performance of the board of directors

List of directors	Assessment form	Grade / Average score received	Grade / Full score
Board of Directors	Group assessment	97.67	100
	Self-assessment	98.01	100
	Cross-assessment (assessment of another director)	None	None
Audit Committee	Group assessment	93.50	100
	Self-assessment	94.50	100
	Cross-assessment (assessment of another director)	None	None
The Nomination and Remuneration Committee	Group assessment	94.20	100
	Self-assessment	94.87	100
	Cross-assessment (assessment of another director)	None	None
Executive Committee	Group assessment	93.90	100
	Self-assessment	None	None
	Cross-assessment (assessment of another director)	None	None
Credit Committee	Group assessment	99.48	100
	Self-assessment	None	None
	Cross-assessment (assessment of another director)	None	None

8.1.2 Meeting attendance and remuneration payment to each board member

Meeting attendance of the board of directors

The Company has set a schedule for meetings of the Board of Directors and subcommittees in advance for the entire year. The Board of Directors meetings are scheduled at least once a quarter, and there may be additional special meetings as needed.

Each meeting has a clear agenda, including items for consideration, for acknowledgment, for discussion, and for expressing opinions. Complete and sufficient meeting documents are provided to the directors at least 7 days in advance to allow them sufficient time to study the information before attending the meeting. In 2024, the Company Secretary sent documents to the directors an average of 9 days before the meeting date.

During the meeting, the chairman allocates sufficient time for all directors to express their opinions freely. The chairman will summarize the opinions and conclusions from the meeting. The company secretary will record the minutes of the meeting, and after approval by the meeting, the report will be kept in the legal department. If the directors require further information, they can request it by contacting the company secretary.

At each Board of Directors meeting, executives are invited to attend the meeting on the agenda related to themselves to provide detailed information to the directors. It also allows the directors to get to know the executives, which is beneficial in considering the management succession plan.

In addition, the Board of Directors has clearly established a policy that if a meeting requires a resolution, there must be at least 2/3 of the total number of directors present at the meeting and at the meeting via electronic media. The directors attending the meeting are not required to be in the Kingdom, and the directors attending the meeting are not required to be in the same location.

For the year 2024, the Company held 1 meeting between the directors without management and 1 meeting of the Independent Directors. There were meetings of the Board of Directors and each subcommittee. The attendance of each director is summarized below.

Meeting attendance of the board of directors

Number of the board of directors meeting over the past	:	6
year (times)		
Date of AGM meeting	:	24 Apr 2023
EGM meeting	:	No

Details of the board of directors' meeting attendance

List of directors	Meeting attendance of the board of directors			AGM meeting attendance			EGM meeting attendance		
	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)
1. Mr. SORASIT SOONTORNKES (Chairman of the board of directors, Independent director)	6	/	6	1	/	1	N/A	/	N/A
2. Mr. POONSAK THIAPAIAT (Director, Independent director)	6	/	6	1	/	1	N/A	/	N/A
3. Mrs. LADAVAN TANATANIT (Director)	6	/	6	1	/	1	N/A	/	N/A
4. Mr. VISIT VONGRUAMLARP (Director)	6	/	6	1	/	1	N/A	/	N/A
5. Mrs. YAJAI PATTANASUKWASUN (Director, Independent director)	6	/	6	1	/	1	N/A	/	N/A
6. Mrs. NALINEE NGAMSETTAMAS (Director)	6	/	6	1	/	1	N/A	/	N/A
7. Mr. KUNAKORN MAKCHAIDEE (Director, Independent director)	6	/	6	1	/	1	N/A	/	N/A
8. Mr. AKRAWIT SOOKSAI (Director)	6	/	6	1	/	1	N/A	/	N/A
9. Police Lieutenant Colonel NAVAPOL DAMRONGPONG (Director, Independent director)	6	/	6	1	/	1	N/A	/	N/A
10. Mrs. PORNPILAIB BURASAI (Director)	6	/	6	1	/	1	N/A	/	N/A

Remuneration of the board of directors

Types of remuneration of the board of directors

The company determines the directors' remuneration structure by referencing industry practices to ensure that the remuneration is at an appropriate level, commensurate with the duties, responsibilities, and time spent performing the duties of the directors. The company is committed to providing sufficient remuneration to incentivize the recruitment of quality directors and retain talented directors to perform their duties diligently and dedicatedly to create value for the organization.

In addition, the company has considered comparing directors' remuneration rates with other companies in the same industry group, as well as referencing the average of listed companies, using the survey report on directors' remuneration of listed companies by the Thai Institute of Directors Association (IOD) as supporting information for consideration.

The Remuneration and Nomination Committee is responsible for reviewing directors' remuneration annually and presenting it to the Board of Directors for approval before submitting it to the Annual General Meeting of Shareholders for approval.

Directors' Remuneration Structure

- **Meeting Allowance**

Remuneration paid to the Chairman and directors for attending meetings of the Board of Directors and various subcommittees, paid on a per-meeting basis only.

- **Directors' Bonuses**

Remuneration paid by the company to directors annually, considering the company's operating results each year.

- **Other Benefits**

The company does not pay any other benefits in addition to the prescribed remuneration.

Remuneration of the board of directors

The 2024 Annual General Meeting of Shareholders held on April 24, 2024, resolved to approve the remuneration for directors for the year 2024 as meeting attendance fees, as follows:

Meeting Attendance Fees for the Board of Directors

- Chairman of the Board: 27,000 Baht
- Company Director: 17,000 Baht

Remark: Executive directors are entitled to receive half of the meeting attendance fees.

Meeting Attendance Fees for the Audit Committee

- Chairman of the Audit Committee: 25,000 Baht
- Audit Committee: 17,000 Baht

Meeting Attendance Fees for the Nomination and Remuneration Committee and the Sustainability Governance Committee

- Chairman of the Board: 20,000 Baht
- Director: 17,000 Baht

Remark: Executive directors are entitled to receive half of the meeting attendance fees.

Meeting Attendance Fees for the Executive Committee

- Chief Executive Officer: 15,000 Baht
- Executive Director: 10,000 Baht

Remark: Executive directors are not entitled to receive meeting attendance fees.

Meeting Attendance Fees for Credit Committee

- Chairman of the Credit Committee: 15,000 Baht
- Credit Committee: 10,000 Baht

Remark: Executive directors are not entitled to receive meeting attendance fees.

Other Benefits

- None

Details of the remuneration of each director over the past year

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
1. Mr. SORASIT SOONTORNKES (Chairman of the board of directors)			162,000.00		N/A
Board of Directors	162,000.00	0.00	162,000.00	No	
2. Mr. POONSAK THIAPAIAT (Director)			321,000.00		N/A
Board of Directors	102,000.00	0.00	102,000.00	No	
Audit Committee	119,000.00	0.00	119,000.00	No	
The Nomination and Remuneration Committee	100,000.00	0.00	100,000.00	No	
3. Mrs. LADAVAN TANATANIT (Director)			132,000.00		N/A
Board of Directors	102,000.00	0.00	102,000.00	No	
Executive Committee	30,000.00	0.00	30,000.00	No	
4. Mr. VISIT VONGRUAMLARP (Director)			102,000.00		N/A
Board of Directors	102,000.00	0.00	102,000.00	No	
5. Mrs. YAJAI PATTANASUKWASUN (Director)			362,000.00		N/A
Board of Directors	102,000.00	0.00	102,000.00	No	
Audit Committee	175,000.00	0.00	175,000.00	No	
The Nomination and Remuneration Committee	85,000.00	0.00	85,000.00	No	
6. Mrs. NALINEE NGAMSETTAMAS (Director)			187,000.00		N/A

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
Board of Directors	102,000.00	0.00	102,000.00	No	
Executive Committee	0.00	0.00	0.00	No	
The Nomination and Remuneration Committee	85,000.00	0.00	85,000.00	No	
7. Mr. KUNAKORN MAKCHAI DEE (Director)			221,000.00		N/A
Board of Directors	102,000.00	0.00	102,000.00	No	
Audit Committee	119,000.00	0.00	119,000.00	No	
8. Mr. AKRAWIT SOOKSAI (Director)			51,000.00		N/A
Board of Directors	51,000.00	0.00	51,000.00	No	
Executive Committee	0.00	0.00	0.00	No	
Enterprise Risk Management Sub-Committee (ERM Sub-Committee)	0.00	0.00	0.00	No	
Sustainability Development Sub-Committee	0.00	0.00	0.00	No	
Credit Committee	0.00	0.00	0.00	No	
9. Police Lieutenant Colonel NAVAPOL DAMRONGPONG (Director)			102,000.00		N/A
Board of Directors	102,000.00	0.00	102,000.00	No	
10. Mrs. PORNPI LAIB BURASAI (Director)			102,000.00		N/A
Board of Directors	102,000.00	0.00	102,000.00	No	

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
11. Mr. CHANON CHOTEVIJIT (Chairman of the executive committee)			165,000.00		N/A
Executive Committee	165,000.00	0.00	165,000.00	No	
12. Mr. Ekawat Piriawarasakul (Member of the executive committee)			100,000.00		N/A
Executive Committee	100,000.00	0.00	100,000.00	No	
13. Mr. Suthiporn Tanthikul (Member of the executive committee)			220,000.00		N/A
Executive Committee	110,000.00	0.00	110,000.00	No	
Credit Committee	110,000.00	0.00	110,000.00	No	
14. Mr. Piroon Paireepairit (Member of the executive committee)			70,000.00		N/A
Executive Committee	70,000.00	0.00	70,000.00	No	
15. Mrs. Nongluk Chantarasombat (The chairman of the subcommittee)			165,000.00		N/A
Credit Committee	165,000.00	0.00	165,000.00	No	
16. Mr. Pongsakorn Sangvijit (Vice-chairman of the subcommittee)			0.00		N/A
Enterprise Risk Management Sub-Committee (ERM Sub-Committee)	0.00	0.00	0.00	No	

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
Sustainability Development Sub-Committee	0.00	0.00	0.00	No	
17. Mr. Pattawut Veerapradit (Member of the subcommittee)			0.00		N/A
Enterprise Risk Management Sub-Committee (ERM Sub-Committee)	0.00	0.00	0.00	No	
18. Mr. Pattawut Veerapradit (Member of the subcommittee)			0.00		N/A
Sustainability Development Sub-Committee	0.00	0.00	0.00	No	
19. Mr. Watana Sangvongmai (Member of the subcommittee)			110,000.00		N/A
Credit Committee	110,000.00	0.00	110,000.00	No	
20. Mr. Sirisak Borisuitsawat (Member of the subcommittee)			0.00		N/A
Enterprise Risk Management Sub-Committee (ERM Sub-Committee)	0.00	0.00	0.00	No	
21. Mr. Vutipong Kittichanteera (Member of the subcommittee)			0.00		N/A
Sustainability Development Sub-Committee	0.00	0.00	0.00	No	
22. Mr. Pipob Jirawongsakorn (Member of the subcommittee)			0.00		N/A

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
Enterprise Risk Management Sub-Committee (ERM Sub-Committee)	0.00	0.00	0.00	No	
23. Mrs. Pornsiri Kusolputchong (Member of the subcommittee)			0.00		N/A
Sustainability Development Sub-Committee	0.00	0.00	0.00	No	
24. Mr. Sirivat Nuntagowit (Member of the subcommittee)			0.00		N/A
Enterprise Risk Management Sub-Committee (ERM Sub-Committee)	0.00	0.00	0.00	No	

Summary of the remuneration of each committee over the past year

Names of board members	Meeting allowance	Other monetary remuneration	Total (Baht)
1. Board of Directors	1,029,000.00	0.00	1,029,000.00
2. Audit Committee	413,000.00	0.00	413,000.00
3. Executive Committee	475,000.00	0.00	475,000.00
4. The Nomination and Remuneration Committee	270,000.00	0.00	270,000.00
5. Credit Committee	385,000.00	0.00	385,000.00
6. Enterprise Risk Management Sub-Committee (ERM Sub-Committee)	0.00	0.00	0.00
7. Sustainability Development Sub-Committee	0.00	0.00	0.00

Remunerations or benefits pending payment to the board of directors

Remunerations or benefits pending payment to the : 0.00
board of directors over the past year
(Baht)

8.1.3 Supervision of subsidiaries and associated companies

Mechanism for overseeing subsidiaries and associated companies

- Does the Company have subsidiaries and associated companies : No
- Mechanism for overseeing subsidiaries and associated companies : No / In Progress

8.1.4 The monitoring of compliance with corporate governance policy and guidelines

Prevention of conflicts of interest

The company places importance on conflict of interest prevention to ensure that business operations are transparent, fair, and verifiable. Therefore, the company has established monitoring and supervisory measures to ensure that the Board of Directors, executives, and employees at all levels strictly comply with the established policies and practices. The guidelines are as follows:

1. Communication and Understanding

- The company regularly organizes training and disseminates policies on conflicts of interest to the Board of Directors, executives, and employees at all levels, including providing knowledge through internal channels such as publications, e-learning systems, and internal meetings.
- Employees can seek advice on situations that may cause conflicts of interest from responsible units, such as the corporate governance department or the legal department, to ensure that decisions are made ethically and in accordance with company regulations.

2. Disclosure and Reporting

- The Board of Directors, executives, and employees are required to report transactions or relationships that may cause conflicts of interest. They must disclose information accurately, completely, and transparently to allow the company to assess and consider appropriately.
- An annual report is prepared to disclose related party transactions and personal interests of the Board of Directors and executives, including in cases of significant changes, to comply with relevant laws and regulations.

3. Supervision and Monitoring

- The company assigns the corporate governance unit, the internal audit department, and the audit committee to monitor and review compliance with the conflict of interest prevention policy to ensure that all processes are transparent and fair.
- If any violations or indications of conflicts of interest are found, the company will conduct an investigation and impose disciplinary measures according to organizational regulations, which may include disciplinary warnings or appropriate penalties depending on the severity of the action.

4. Complaint Channels

- The company provides secure and confidential channels for reporting clues regarding actions that may cause conflicts of interest, such as an Ethics Hotline, complaint email, or complaint boxes, to allow employees and external parties to report information without concerns about potential repercussions.
- The company guarantees protection for whistleblowers from retaliation or negative repercussions to promote an organizational culture committed to transparency and fairness.

Operations for conflict of interest prevention over the past year

- Has the company operated in preventing conflicts of interest over the past year : Yes

Conflict of Interest Prevention Operations in the Past Year

1. Preventing the Use of Inside Information for Personal Gain

In the past year, the Company has set a Blackout Period of 30 days prior to the announcement of financial statements or the disclosure of other material information to prevent insider trading. The Company also requires directors and executives to wait at least 24-48 hours after the public disclosure of information before trading in securities.

In addition, the Company requires directors and executives to report their holdings, their spouses, and their unemancipated minor children on a quarterly basis and notify the Stock Exchange of Thailand in accordance with relevant laws. The company secretary plays a role in reminding and monitoring compliance with the requirements strictly.

2. Managing Conflicts of Interest in Interconnected Transactions

The Company discloses details of connected transactions to the Stock Exchange of Thailand and shareholders in accordance with the established criteria. The Company also reports to the Board of Directors on a quarterly basis and discloses the information in the annual report for transparency and auditability.

3. Reporting of Interests of Directors and Executives

The company secretary is responsible for collecting information and presenting it to the Board of Directors for consideration of transparency in business operations. The company secretary must report accurate, complete, and transparent information to the regulators as required.

4. Promoting a Culture of Ethics

The Company provides training to employees at all levels on guidelines for preventing conflicts of interest on an ongoing basis. The Company also provides secure whistleblowing channels for employees to report any violations. The Company has measures in place to protect whistleblowers to ensure that operations are transparent and auditable.

Number of cases or issues related to conflict of interest

	2022	2023	2024
Total number of cases or issues related to conflict of interest (cases)	0	0	0

Prevention of the use of inside information to seek benefits

Operations for prevention of the use of inside information to seek benefits over the past year

Has the company operated in preventing the use of : Yes
inside information to seek benefits over the past year

Operations in the past year

Prior to the disclosure of quarterly financial statements, the company secretary will send an email to remind the directors and management of such regulations, along with a report on the securities holdings of directors and management at the board of directors meeting before each meeting.

Operating Results

From monitoring and control, no violations of insider information regulations were found.

Number of cases or issues related to the use of inside information to seek benefits

	2022	2023	2024
Total number of cases or issues related to the use of inside information to seek benefits (cases)	0	0	0

Anti-corruption action

Operations in anti-corruption in the past year

Has the company operated in anti-corruption over the : Yes
past year

Form of operations in anti-corruption : Review of appropriateness in anti-corruption, The participation in anti-corruption projects, Assessment and identification of corruption risk, Communication and training for employees on anti-corruption policy and guidelines, The monitoring of the evaluation of compliance with the anti-corruption policy, Review of the completeness and adequacy of the process by the Audit Committee or auditor

1. Establish a policy and have it reviewed annually

The Company has established a clear Anti-Fraud and Anti-Corruption Policy to guide its business operations with transparency and fairness. The Company also requires an annual review and update of the policy to comply with applicable laws, regulations, and universal practices, as well as to accommodate changes in the business environment and stakeholder expectations.

2. Participation in projects related to anti-corruption

The Company places importance on participating in national projects related to anti-corruption. The Company has continuously carried out the following activities:

Year 2021: Submitted a letter of intent to participate in the Thai Private Sector Collective Action Against Corruption (CAC) project.

Year 2020: Certified as a member of the CAC

Year 2023: Submitted a letter of intent to renew the CAC certification and was approved in September 2023.

Year 2024: The Company has prepared for the renewal of the CAC certification and strengthened its good governance practices.

3. Corruption risk assessment and identification

The Company continuously assesses risks related to corruption, including inspecting potential risk points in the organization's work processes to prevent potential risks. In 2024, the Company conducted such a risk assessment and no deficiencies or operations were found to be inconsistent with relevant policies and laws.

4. Communication and training for employees on anti-corruption policies and practices

The Company has a policy to promote and instill awareness of anti-corruption at all levels of employees. In 2024, the Company carried out the following:

- Develop and disseminate the Anti-Corruption Policy Handbook through electronic channels (Intranet and the Company's website) to provide employees with convenient access to information.
- Training is provided to all employees on anti-corruption practices. All employees are required to sign an acknowledgement of and compliance with the policy, with a 100% acknowledgement rate.

5. Monitoring and evaluation of compliance with the anti-corruption policy

The Company has a system to monitor and evaluate compliance with the anti-corruption policy. In 2024, the Company carried out the following:

- Monitoring of compliance with anti-corruption measures in all departments by the Internal Audit Department.
- A report summarizing compliance with the anti-corruption policy is submitted to the Audit Committee and the Board of Directors every quarter.
- In 2024, there were no reports of corruption offenses.

6. Audit of the completeness and adequacy of the process by the Audit Committee

The Company has assigned the Audit Committee and the Internal Audit Department to be responsible for auditing the completeness

and adequacy of the anti-corruption process. In 2024, the following activities were carried out:

- The Audit Committee has reviewed the complaint and whistleblowing process to ensure that it is transparent and that complainants are adequately protected.
- The adequacy of the anti-corruption process in terms of legal compliance was assessed and there were no material deficiencies.

Number of cases or issues related to corruption

	2022	2023	2024
Total number of cases or issues related to corruption (cases)	0	0	0

Whistleblowing

The Company recognizes the importance of conducting business with good governance, transparency, and accountability. The Company places importance on listening to opinions and complaints from all stakeholder groups, including reporting misconduct, to prevent and reduce risks that may affect the organization.

In 2024, the Company remains committed to promoting effective whistleblowing mechanisms and has strict measures to protect whistleblowers. This is to ensure that all stakeholders can report information safely and fairly.

Contact channels for reporting or filing complaints

The Company has channels for stakeholders to report information or complaints about actions that may be considered unethical business conduct or illegal through the following channels:

- Company website: www.airafactoring.co.th Under "Contact Us", select to contact "Audit Committee" or "Internal Audit Office".
- Email:
 - o auditcommittee@airafactoring.co.th (To the Audit Committee)
 - o internalaudit@airafactoring.co.th (To the Internal Audit Office)
- Telephone: 0 2657 6222
- Fax: 0 2657 6244
- Mail: Attention: Internal Audit Office, AIRA Factoring Public Company Limited, 188 Spring Tower, 12A Floor, Phayathai Road, Thung Phayathai Subdistrict, Ratchathewi District, Bangkok 10400

In addition, employees can complain or provide suggestions to the Board of Directors and executives directly via the company's internal email. All employees are required to report any inappropriate incidents or behavior that may affect stakeholders or constitute fraud and corruption to their supervisor.

Actions when receiving complaints

When the Audit Committee or the Internal Audit Office receives a tip-off, the Company will initially consider what type of complaint it falls under.

- If related to corporate governance and business ethics, the relevant unit will collect information and submit it to the Audit Committee for consideration.
- If it falls under fraud or corruption, the unit receiving the matter will forward the matter to the Internal Audit Office for investigation and submission to the Audit Committee for further consideration.

Measures to prevent recurrence and remedy for affected persons

The company not only conducts investigations and punishes offenders but also focuses on preventing recurrence of problems and providing remedies to those affected, as follows:

Preventive measures

- Analyze the cause of the problem and improve work processes or internal control systems to be more effective.
- Define corrective actions and preventive measures to reduce the chance of recurrence.
- Provide training or raise awareness among employees about business ethics and transparent business practices.

Remedial measures for affected persons

- In the event that there is a victim of wrongdoing, the Company will consider appropriate remedies to mitigate the impact.
- If the case involves an employee, the Company will provide assistance in an appropriate manner, such as providing advice or compensation according to the specified criteria.
- Implement preventive measures to prevent similar incidents from happening again.

Measures to protect and maintain the confidentiality of complainants

The Company places importance on protecting the information of whistleblowers. The Company will not disclose the identity of the complainant unless written consent has been obtained or there are legal requirements to disclose.

Punishing the wrongdoers

- If the wrongdoing is found to be caused by an employee, the Company will consider disciplinary action according to the Company's regulations fairly.
- If the offender is an outsider, the Company will take legal action.

Operations related to whistleblowing over the past year

Has the company implemented whistleblowing : Yes
procedures over the past year

The company continues to prioritize fraud prevention and suppression. In 2024, the company carried out the following:

- Assessing fraud risks and establishing guidelines to prevent unethical conduct.
- Communication and dissemination of the Anti-Corruption Policy to employees and executives at all levels.
- Acknowledgement and confirmation of compliance with the Anti-Corruption Policy by all employees.
- Governance and monitoring of policy compliance by the Internal Audit and Control Unit, along with reporting to the Audit Committee.

Statistics on complaints and whistleblowing in 2024.

In 2024, the company had no disputes related to stakeholders.

Number of cases or issues related to whistleblowing

	2022	2023	2024
Total number of cases or issues received through whistleblowing channels (cases)	0	0	0

8.2 Report on the results of duty performance of the audit committee in the past year

8.2.1 Meeting attendance of audit committee

Meeting attendance of audit committee (times) : 6

List of directors	Meeting attendance of audit committee		
	Meeting attendance (times)	/	Meeting attendance rights (times)
1 Mrs. YAJAI PATTANASUKWASUN (Chairman of the audit committee)	6	/	6
2 Mr. POONSAK THIAPAIRAT (Member of the audit committee)	6	/	6
3 Mr. KUNAKORN MAKCHAIDEE (Member of the audit committee)	6	/	6

8.2.2 The results of duty performance of the audit committee

The Audit Committee has strictly adhered to the scope and authority stipulated in the Audit Committee Charter. The Committee held 7 meetings. Information on the attendance of each member is provided in the section on Meeting Attendance, Board of Directors' Meetings, and Sub-Committee Meetings. This includes meetings with management and the Audit Committee and internal audit to acknowledge internal audit results, good corporate governance, review the adequacy and appropriateness of internal control and risk management, and meetings with the auditor without the presence of management to consider the review or audit of quarterly and annual financial information. The Audit Committee reported the results of each meeting to the Board of Directors, the key points of which are summarized below.

1. Review of the company's quarterly and annual financial information by meeting with the auditor to acknowledge the confirmation of independence in performing the audit and the results of the review/audit of the financial information. The Audit Committee is of the opinion that the financial information has been prepared in accordance with generally accepted accounting principles, with adequate and appropriate disclosures. The auditor has expressed an unqualified opinion in the auditor's report and has reported to the Board of Directors, shareholders, and stakeholders in accordance with the regulations on a regular basis. However, the Audit Committee also discussed with the auditor the adequacy of the allowance for expected credit losses to provide additional opinions and suggestions to management for improvement and adjustments to be appropriate and consistent with the company's risk management policy framework, and reported to the Board of Directors accordingly.

2. Review of internal control by meeting with the Audit Committee and internal audit to acknowledge the audit plan's findings. The independence of the Audit Committee and internal audit was considered to ensure that the company has established a sufficient and appropriate internal control environment and information system that is continuously developed, improved, and integrated into the organization's risk management.

The company discloses information accurately and completely, free from conflicts of interest. The company's operations comply with the law and regulations of relevant government agencies. The company adheres to the anti-corruption policy and has a whistleblower process in place, which has been reported to the Board of Directors for acknowledgement or consideration as appropriate.

In 2024, the company overall had an adequate and appropriate internal control system. However, the Audit Committee recommended that management should review the operational manual for updates at least once a year or when there are significant changes. Debt monitoring and collection should be systematically and promptly carried out to prevent and resolve customer issues. The relevant working procedures should be reviewed and improved to enhance the efficiency of monitoring, reporting, and problem-solving.

particularly by establishing an Action Plan for each step, including supporting documents for reporting, to ensure complete debt collection. The model review should be conducted in accordance with TFRS 9, Financial Instruments, to align with the company's business. Management should consider reviewing the program development plan to align with the business plan and ensure its usability within the timeframe. The company should consider having successors for each department, especially critical ones, to ensure business continuity. The company should also study best practices under the International Standards for the Professional Practice of Internal Auditing (Revised) to enhance the adequacy and appropriateness of the Audit Committee and internal audit operations.

3. Consideration of the company's risk management plan and risk management policy. The Audit Committee provided suggestions and recommendations on risk management to ensure that risk management is at an acceptable level and that the organization can achieve its objectives. The Committee recommended the development of an Action Plan to mitigate risks to an acceptable level, as well as faster information reporting. In addition, the Committee suggested that an Executive Summary of risk management results be prepared and presented to the Board of Directors regularly.

4. Review of compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, and other relevant business laws, through audits by the Audit Committee and internal audit, which found no material non-compliance issues or conflicts of interest, other than those disclosed in the financial statements regarding transactions with related persons or entities.

5. Consideration and selection of the company's auditor, including the consideration of the auditor's remuneration for the year 2025. The Audit Committee considered the quality of the audit work, knowledge, experience, audit report by the Securities and Exchange Commission (SEC), and the performance in 2024 of EY Office Limited. Based on the review, the Audit Committee proposed to the Board of Directors that EY Office Limited be appointed as the company's auditor for the year 2025, to be proposed to the Annual General Meeting of Shareholders for approval of the appointment of the auditor and determination of the auditor's remuneration.

6. Self-assessment of the Audit Committee to ensure that the performance of the Audit Committee is effective and efficient, achieving the objectives assigned by the Board of Directors, and continuously improving. The results of the 2024 self-assessment were reported to the Board of Directors and were rated as very good overall.

The Audit Committee performs its duties with diligence and independence, expressing its opinions frankly for the best interests of the company, shareholders, and stakeholders, without limitations in receiving information and cooperation from the company. The Audit Committee is of the opinion that the financial statements are prepared correctly and that the financial information disclosed is adequate, appropriate, and in accordance with financial reporting standards. The external auditor is independent in performing its duties. Related party transactions or transactions that may involve conflicts of interest are reasonable, justifiable, and in the ordinary course of business, and are adequately disclosed. The overall internal control system and internal audit are appropriate, adequate, and effective. The company's operations are supervised in strict compliance with laws and regulations.

The Audit Committee has been in constant communication with management to ensure that the company has an effective risk management framework and internal control processes that are continuously developed, monitored, and improved to align with and support global changes, technological advancements, the digital landscape, and the business environment. The focus on business sustainability (Sustainability) has led to changes that require the company to transform in terms of business, digital technology, work processes, and personnel under the framework of good risk management and corporate governance. These developments are regularly reported to the Board of Directors.

8.3 Summary of the results of duty performance of subcommittees

8.3.1 - 8.3.2 Meeting attendance and the results of duty performance of subcommittees

Meeting attendance Executive Committee

Meeting Executive Committee (times) : 11

List of Directors	Meeting attendance Executive Committee		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mr. CHANON CHOTEVJIT (Chairman of the executive committee)	11	/	11
2 Mrs. NALINEE NGAMSETTAMAS (Member of the executive committee)	11	/	11
3 Mr. AKRAWIT SOOKSAI (Member of the executive committee)	11	/	11
4 Mr. Ekawat Piriwarasakul (Member of the executive committee)	10	/	11
5 Mr. Suthiporn Tanthikul (Member of the executive committee)	11	/	11
6 Mr. Piroon Paireepairit (Member of the executive committee)	11	/	11
7 Mrs. LADAVAN TANATANIT (Member of the executive committee)	3	/	3

The results of duty performance of Executive Committee

The Executive Committee has performed its duties within the scope and authority assigned by the Board of Directors under the Charter of the Executive Committee. It has the power, duties, and responsibilities in managing the Company's ordinary operations and administrative affairs. This includes formulating policies, business plans, budgets, management structures, and various administrative authorities of the Company. It also sets guidelines for business operations to align with the economic conditions for the Board of Directors' consideration, approval, and/or acknowledgment.

In 1984, the Executive Committee held 11 meetings to consider important matters, which can be summarized as follows:

1. Consider the annual budget allocation as proposed by the management before submitting it to the Board of Directors for approval.
2. Consider and approve expenditures for the Company's ordinary business operations according to the authorized limit.
3. Consider and approve loans or credit extensions under the Company's credit approval authority.
4. Review and revise the annual Charter of the Executive Committee.
5. Follow up on the Company's monthly operating results.

Meeting attendance The Nomination and Remuneration Committee

Meeting The Nomination and Remuneration Committee (times) : 5

List of Directors	Meeting attendance The Nomination and Remuneration Committee		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mrs. YAJAI PATTANASUKWASUN (Member of the subcommittee)	5	/	5
2 Mrs. NALINEE NGAMSETTAMAS (Member of the subcommittee)	5	/	5
3 Mr. POONSAK THIAPAIROT (The chairman of the subcommittee)	5	/	5

The results of duty performance of The Nomination and Remuneration Committee

The Nomination, Remuneration, and Sustainability Committee (hereinafter referred to as the "NRC") has performed its duties within the scope and authority assigned by the Board of Directors, under the NRC Charter.

In 2024, the NRC held 5 meetings to deliberate on various important issues and prepared meeting minutes with recommendations for the Board of Directors' consideration. The key performance highlights are as follows:

1. Nomination and selection of directors and sub-committee members.

Review and consider the structure, size, and composition of the Board of Directors for suitability, taking into account the proportion of directors, age, gender, and qualifications for directorship. This aligns with ESG Rating criteria and involves updating the Board Skills Matrix to encompass skills essential to the organization's strategies.

The review revealed that Information Technology (IT) skills are crucial for business operations in the digital age. The NRC recognizes the importance of enhancing capabilities in this area and has recruited an executive with IT expertise in 2024. This aims to strengthen the company's ability to govern and drive its business effectively, aligning with its future growth trajectory.

Recruitment and selection of qualified individuals for the position of director to replace those whose terms expire, for proposal to the Board of Directors and shareholders' meeting for approval at the 2024 Annual General Meeting of Shareholders. This process adheres to the criteria and procedures for the recruitment and appointment of directors, considering qualifications in accordance with relevant laws and regulations, the Company's Articles of Association, and the principles of good corporate governance. It also takes into account knowledge, expertise, skill diversity (Board Skills Matrix), and the opportunity for shareholders to nominate director candidates three months in advance. No nominations were received by the company by the deadline.

The NRC has therefore considered and proposed the re-election of the existing directors, namely Mr. Sornasit Sunthornkaset, Ms. Ladawan Tanadhanit, and Mr. Visit Vongsumranlert, for another term. All nominees are fully qualified, have no prohibited characteristics under relevant laws and regulations, and possess the knowledge, abilities, and experience aligned with the company's business strategies. The Board of Directors and the 2024 Annual General Meeting of Shareholders approved the appointments as proposed by the NRC.

2. Performance evaluation of the Board of Directors and the Chief Executive Officer.

The NRC has reviewed and evaluated the performance of the Board of Directors and sub-committees for the year 2024, both at the committee and individual levels, to guide the improvement, monitoring, and development of their performance effectiveness. Additionally, the CEO's performance evaluation form (CEO KPIs) was reviewed, and the 2024 performance evaluation was conducted to inform the determination of appropriate compensation that reflects the organization's performance.

In terms of assessing the independence of directors, the NRC has arranged for all directors to conduct self-assessments to ensure that they can perform their duties impartially, free from conflicts of interest, and independently from the management, which is crucial for good corporate governance.

3. Determination of remuneration for the Board of Directors, sub-committees, and the Chief Executive Officer.

Determine the remuneration of directors and sub-committee members for the year 2024, including the payment of annual director bonuses, for proposal to the Board of Directors and shareholders' meeting for approval. This takes into consideration various factors and appropriateness according to good corporate governance principles, including the company's performance, the current economic climate of businesses related to the company, policies approved by shareholders, the responsibilities of the Board of Directors, the annual performance evaluation results of the Board of Directors, and alignment with the remuneration of other listed companies in the same industry and of similar size. The Board of Directors and the 2024 Annual General Meeting of Shareholders approved the NRC's proposal.

Determine the remuneration of the Chief Executive Officer (CEO) for the year 2024 for proposal to the Board of Directors. Consider approval under clear, transparent, and fair criteria, based on annual performance according to the CEO's performance evaluation form (CEO KPIs).

4. Review of the Company's Articles of Association and key policies.

The NRC has proposed to the Board of Directors to amend the Board Charter to align with the group's policies and good corporate governance principles, ensuring an appropriate operational framework that meets international standards. Additionally, the NRC Charter was reviewed, considering its alignment with stock exchange regulations, the roles, duties, and responsibilities of the committee, and operational efficiency. This ensures that the committee's operations are effective and responsive to the company's strategies. The NRC has reviewed and updated the policies and criteria for the nomination and remuneration of directors, the Chief Executive Officer, and senior management to ensure they are appropriate, up-to-date, and user-friendly for the committee and executives.

Furthermore, the Good Corporate Governance Policy was reviewed and revised for greater clarity and appropriateness. For instance, the timeframe for submitting board meeting materials was adjusted from no less than 7 days to no less than 5 business days to allow directors sufficient time to review the information. Other corporate governance policies, including the Anti-Corruption Policy and the State Official Engagement Policy, were also reviewed to align with the practices of the Collective Action Coalition Against Corruption (CAC). In terms of sustainability, the NRC reviewed the sustainability policies, goals, strategies, and action plans, including acknowledging the annual performance results. Recommendations were provided to ensure that these strategies align with the company's objectives and effectively drive sustainable growth.

Furthermore, the NRC proposed improvements to the policy review process to enhance its effectiveness and alignment with the company's operations. This includes establishing a clear consideration framework and proposing that sub-committees have the authority to approve policies without changes, reporting such approvals to the Board of Directors for acknowledgement. Policies with changes will still require review and approval from the Board of Directors.

5. Succession planning and knowledge development for directors, executives, and employees.

The NRC has monitored and overseen the Succession Plan for senior executives and high-potential employees (Talent) to ensure the company has personnel ready to assume key positions. This involves establishing guidelines aligned with the organization's strategies and focusing on continuous personnel development. Additionally, the NRC supports the development of knowledge and skills for directors, executives, and employees to prepare successors in each department and enhance essential skills for directors. Progress reports on succession planning from the Chief Executive Officer are also acknowledged to ensure that the process is ongoing and aligned with the organization's long-term goals.

The NRC is committed to operating under the principles of good corporate governance to ensure that the processes of nomination, remuneration, and development of the Board of Directors and senior management are transparent, fair, and aligned with the company's strategies and international standards. This aims to build confidence among shareholders and all stakeholders.

Meeting attendance Credit Committee

Meeting Credit Committee (times) : 11

List of Directors	Meeting attendance Credit Committee		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mrs. Nongluk Chantarasombat (The chairman of the subcommittee)	11	/	11
2 Mr. Suthiporn Tanthikul (Member of the subcommittee)	11	/	11
3 Mr. AKRAWIT SOOKSAI (Member of the subcommittee)	11	/	11
4 Mr. Watana Sangvongmai (Member of the subcommittee)	11	/	11

The results of duty performance of Credit Committee

The Credit Committee is responsible for the duties assigned by the Board of Directors and/or the Executive Committee that are beyond the Management's approval authority to comply with the credit policy, including relevant orders and announcements.

In 2024, the Credit Committee held 11 meetings to consider and approve factoring loans, lending, credit and collateral risk management, and debt restructuring under the credit approval authority. In addition, the Credit Committee also screens and reviews credit applications before submitting them for approval to the Executive Committee and considers reviewing and updating the credit policy and the Credit Committee Charter annually.

Meeting attendance Enterprise Risk Management Sub-Committee (ERM Sub-Committee)

Meeting Enterprise Risk Management Sub-Committee (ERM Sub-Committee) (times) : 4

List of Directors	Meeting attendance Enterprise Risk Management Sub-Committee (ERM Sub-Committee)		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mr. AKRAWIT SOOKSAI (The chairman of the subcommittee)	4	/	4
2 Mr. Pongsakorn Sangvijit (Vice-chairman of the subcommittee)	4	/	4
3 Mr. Pattawut Veerapradit (Member of the subcommittee)	4	/	4
4 Mr. Sirisak Borisuitsawat (Member of the subcommittee)	4	/	4
5 Mr. Pipob Jirawongsakorn (Member of the subcommittee)	4	/	4
6 Mr. Sirivat Nuntagowit (Member of the subcommittee)	1	/	1

The results of duty performance of Enterprise Risk Management Sub-Committee (ERM Sub-Committee)

In 2024, the company prioritized enterprise risk management by implementing the established risk management plan. The company has continuously monitored and evaluated the performance to cope with potential future risks and strive to achieve the goals set in the organization's long-term strategic plan. In the first to third quarters of 2024, the company monitored the performance of the risk management plan and presented the results to the meeting to consider risk trends and appropriate improvement guidelines.

The relevant meetings discussed and suggested additional guidelines to enhance the efficiency of risk management. The focus is on improving personnel development, monitoring financial risks, increasing funding sources, and establishing guidelines to cope with market and financial product risks.

The summary of key performance results is as follows:

1. The results of risk management operations have been monitored and reported to the meeting periodically.
2. There are suggestions for improvement and enhancement of risk management guidelines to cover personnel, finance, markets, and liquidity.
3. Relevant agencies have been assigned to implement the Mitigation Plan and closely monitor the results to mitigate potential future risks.

Meeting attendance Sustainability Development Sub-Committee

Meeting Sustainability Development Sub-Committee (times) : 2

List of Directors	Meeting attendance Sustainability Development Sub-Committee		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mr. AKRAWIT SOOKSAI (The chairman of the subcommittee)	2	/	2
2 Mr. Pongsakorn Sangvijit (Vice-chairman of the subcommittee)	2	/	2
3 Mr. Pattawut Veerapradit (Member of the subcommittee)	2	/	2
4 Mr. Vutipong Kittichanteera (Member of the subcommittee)	2	/	2
5 Mrs. Pornsiri Kusolputchong (Member of the subcommittee)	2	/	2

The results of duty performance of Sustainability Development Sub-Committee

The Sustainability Subcommittee is committed to driving business practices that consider environmental, social, and governance (ESG) factors to enhance the stable and sustainable growth of the organization. In 2024, several key projects were implemented, focusing on reducing greenhouse gas emissions and promoting ESG knowledge among personnel at all levels to foster understanding and practical application. The details of the operations are divided into two main parts: reducing greenhouse gas emissions and providing knowledge about ESG and sustainability, as follows.

1. Driving Greenhouse Gas Emission Reduction Efforts

The Sustainability Subcommittee collected greenhouse gas emissions data throughout 2024 to establish a baseline year for setting future emission reduction targets. Each internal department was tasked with collecting its own data to ensure completeness and accuracy. The collected data underwent analysis and review by expert consultants and an independent auditing firm before being used to apply for Carbon Footprint Organization certification in February 2025.

2. Providing Knowledge about ESG and Sustainability

The Sustainability Subcommittee has been providing knowledge about ESG and sustainability at all levels of the organization to promote understanding and compliance with appropriate guidelines.

Board Level: Training and knowledge enhancement on ESG and Digital Transformation were provided to raise awareness among the board of directors about the importance of sustainability in business operations. Additionally, the board participated in in-depth seminars on corporate governance and ESG, including the Online Director Briefing 1/2024 and the SET ESG Professionals Forum 2024, to enhance their capabilities in effectively managing sustainability.

Executive Level: Organized training sessions on ESG-related topics such as Carbon Footprint, ESG Risk Management, and Human Rights Due Diligence (HRDD) to enable managers to integrate sustainability concepts into the organization's decision-making processes. This included participation in the IT VISION 2024: Sustainable Tech training, which helped executives understand the role of technology in sustainable business development.

Employee Level: Promote ESG learning through the SET E-learning course, which was held between March and May 2023, to enable

employees to access and understand sustainability principles more easily. In addition, a CSR activity was organized at Bang Krabue in October 2023 to provide employees with hands-on learning about carbon emissions and sequestration. This activity helped raise awareness of environmental and sustainability issues within the organization.

9. Internal control and related party transactions

9.1 Internal control

The company places great importance on the internal control system. A sound internal control system ensures accuracy, transparency, and auditability of the company's operations. It also prevents potential damage. Therefore, the company continuously develops its internal control system to be effective and efficient.

The Board of Directors has appointed an Audit Committee consisting of three independent directors. All three members possess knowledge and experience in auditing financial statements and meet the qualifications stipulated by relevant laws, including the regulations and/or notifications of the Stock Exchange of Thailand.

The Audit Committee has assigned the Internal Audit Department, an independent unit from the management, to review various operations within the company, including compliance with relevant external regulations. The department also serves as the secretary to the Audit Committee to support its operations as assigned by the Board of Directors to achieve effective results and acts as a consultant to provide advice in various areas.

Summary of the opinion of the board of directors regarding the internal control of the company

For the assessment of the adequacy of the internal control system for the year 1984, the Board of Directors is of the opinion that the Company's internal control system is adequate and appropriate.

9.1.1 Adequacy and appropriateness of the company's internal control system

Company's internal control system : The Committee of Sponsoring Organizations of the Treadway Commission (COSO)

The Committee of Sponsoring Organizations of the Treadway Commission (COSO)

At the Board of Directors' Meeting No. 1/2025 held on February 18, 2025, the Board of Directors, with three audit committee members in attendance, considered and assessed the adequacy of the Company's internal control system in various aspects in accordance with the COSO (The Committee of Sponsoring Organization of Treadway Commission) Internal Control Framework, namely, Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities.

Based on the assessment of the Company's internal control system, the Board of Directors is of the opinion that the Company's internal control system is adequate and appropriate under the present circumstances. It enables the Company's management and operations to be accurate, transparent, and verifiable. In addition, there is an adequate and appropriate internal control system for transactions with major shareholders, directors, executives, and related persons.

9.1.2 Deficiencies related to the internal control system

	2022	2023	2024
Total number of deficiencies related to the internal control system (cases)	0	0	0

9.1.3 Opinions of the audit committee and auditor's observations on internal control

Does the audit committee have opinions on internal control : No
different from the board of directors' opinions?

Does the auditor have any observations on the company's : No
internal control?

9.1.4 Opinions of the audit committee on the position of the head of the internal audit unit

Head of the internal audit unit : Internal personnel

The Audit Committee has appointed Ms. Somjai Amonchai Noppakhun to the position of Head of Internal Audit of the Company due to her extensive experience in internal audit and her thorough understanding of the Company's operations. Her qualifications are detailed in Annex 3.

9.1.5 Appointment, discharge, and transfer of the head of the internal audit unit

Does the appointment, discharge, and transfer of the head of : Yes
the internal audit unit require the audit committee approval?

The consideration and approval of the appointment, removal, or transfer of the Head of Internal Audit shall be subject to the approval of the Audit Committee.

9.2 Related party transactions

Related party transactions

Does the company have any related party transactions? : Yes

9.2.1 - 9.2.2 Names of the group of persons who may have a conflict of interest, nature of relationship, and information on related party transactions ⁽²⁾

Persons/entities with potential conflicts

Name of person or entity/type of business	Nature of relationship	Information as of date
AIRA Capital Public Company Limited Invest in subsidiaries	Is a major shareholder of the Company, holding 71.55 percent of shares.	31 Dec 2024
AIRA Property Public Company Limited Real Estate Business	It is a subsidiary with a common major shareholder, AIRA Capital Public Company Limited, which holds 71.55% of shares in Ira Factoring Public Company Limited and 99.99% of shares in Ira Property Public Company Limited.	31 Dec 2024
Aspiration One Co., Ltd. (a subsidiary of Ira Property Public Company Limited) Real estate development and development of office buildings for rent	AIRA Property Public Company Limited is a subsidiary that shares a major shareholder, AIRA Capital Public Company Limited, which holds 71.55% of AIRA Factoring Public Company Limited and 65% of AIRA Property Public Company Limited. AIRA Property Public Company Limited holds 60% of Aspiration One Company Limited.	31 Dec 2024
Mrs. Htayararat of Chulalongkorn -	Is a major shareholder of AIRA Capital Public Company Limited, whereby AIRACapital Public Company Limited holds 71.55 percent of the company's shares.	31 Dec 2024

Details of related party transactions

Related party transactions	Transaction value at the end of the fiscal year (million baht)		
	2022	2023	2024
AIRA Capital Public Company Limited			
Transaction 1 <u>Nature of transaction</u> Financial assistance request <u>Details</u> A credit line of 90 million baht, in the form of promissory notes, with a term of 1 year, from May 10, 2021 to May 11, 2022, to manage liquidity for business operations. The company may withdraw funds as needed. During 2022, the company did not utilize this credit line. <u>Necessity/reasonableness</u> To serve as working capital for business operations during the Covid-19 pandemic. <u>Audit committee's opinion</u> The aforementioned list is considered beneficial to the company as it enhances liquidity for business operations. The interest rate is the standard market rate that the company borrows from other financial institutions.	0.00	0.00	0.00
Transaction 2 <u>Nature of transaction</u> Financial assistance request <u>Details</u>	0.00	0.55	0.00

Related party transactions	Transaction value at the end of the fiscal year (million baht)		
	2022	2023	2024
<p>A total of 90 million baht in loans - promissory notes, will be borrowed between June and July 2023, as needed. The details are as follows:</p> <p>Interest expenses paid to related parties are as follows:</p> <ul style="list-style-type: none"> - June 13, 2023, the Company issued a promissory note AF001/2566 with a value of 30.00 million baht, an interest rate of 3.80% per annum, a maturity of 59 days, due on August 11, 2023 (interest paid equal to 0.18 million baht). - June 16, 2023, the Company issued a promissory note AF002/2566 with a value of 45.00 million baht, an interest rate of 3.80% per annum, a maturity of 60 days, due on August 15, 2023 (interest paid equal to 0.28 million baht). - July 13, 2023, the Company issued a promissory note AF003/2566 with a value of 15.00 million baht, an interest rate of 3.80% per annum, a maturity of 60 days, due on September 11, 2023 (interest paid equal to 0.09 million baht). <p><u>Necessity/reasonableness</u></p> <p>To serve as a source of reserve funds, as interest rates from financial institutions used by the company have been continuously increasing.</p> <p><u>Audit committee's opinion</u></p> <p>The aforementioned transactions are considered beneficial to the company as they enhance liquidity for business operations. The interest rates applied are standard market rates that the company obtains from financial institutions for loans to manage business liquidity.</p>			
<p>Transaction 3</p> <p><u>Nature of transaction</u></p> <p>Financial assistance request</p> <p><u>Details</u></p>	0.00	1.20	3.88

Related party transactions	Transaction value at the end of the fiscal year (million baht)		
	2022	2023	2024
<p>A credit line of 90 million baht, in the form of promissory notes, for a period of 1 year from August 2023 to August 2024, to be borrowed as needed. The details are as follows:</p> <p>Interest expenses paid to related parties are as follows:</p> <ul style="list-style-type: none"> - August 11, 2023, the Company issued promissory note AF004/2566 with a value of 30.00 million baht, interest rate of 3.80% per annum, maturity of 60 days, due on October 10, 2023 (interest paid equal to 0.19 million baht). - August 15, 2023, the Company issued promissory note AF005/2566 with a value of 45.00 million baht, interest rate of 3.80% per annum, maturity of 58 days, due on October 12, 2023 (interest paid equal to 0.27 million baht). - September 11, 2023, the Company issued promissory note AF006/2566 with a value of 15.00 million baht, interest rate of 4.15% per annum, maturity of 29 days, due on October 10, 2023 (interest paid equal to 0.05 million baht). - October 10, 2023, the Company issued promissory note AF007/2566 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 31 days, due on November 10, 2023 (interest paid equal to 0.05 million baht). - October 12, 2023, the Company issued promissory note AF008/2566 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 29 days, due on November 10, 2023 (interest paid equal to 0.16 million baht). - November 10, 2023, the Company issued promissory note AF009/2566 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 28 days, due on December 8, 2023 (interest paid equal to 0.15 million baht). - November 10, 2023, the Company issued promissory note AF010/2566 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 28 days, due on December 8, 2023 (interest paid equal to 0.15 million baht). - December 8, 2023, the Company issued promissory note AF011/2566 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 24 days, due on January 5, 2024 (interest paid equal to 0.12 million baht). - December 20, 2023, the Company issued promissory note AF012/2566 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 12 days, due on January 12, 2024 (interest paid equal to 0.06 million baht). 			

Related party transactions	Transaction value at the end of the fiscal year (million baht)		
	2022	2023	2024
<ul style="list-style-type: none"> - January 5, 2024, the Company issued promissory note AF001/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 28 days, due on February 2, 2024 (interest paid equal to 0.15 million baht). - January 12, 2024, the Company issued promissory note AF002/2567 with a value of 30.00 million baht, interest rate of 4.20% per annum, maturity of 28 days, due on February 9, 2024 (interest paid equal to 0.09 million baht). - January 25, 2024, the Company issued promissory note AF003/2567 with a value of 15.00 million baht, interest rate of 4.20% per annum, maturity of 29 days, due on February 23, 2024 (interest paid equal to 0.05 million baht). - February 2, 2024, the Company issued promissory note AF004/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 27 days, due on February 29, 2024 (interest paid equal to 0.14 million baht). - February 9, 2024, the Company issued promissory note AF005/2567 with a value of 30.00 million baht, interest rate of 4.20% per annum, maturity of 42 days, due on March 23, 2024 (interest paid equal to 0.14 million baht). - February 23, 2024, the Company issued promissory note AF006/2567 with a value of 15.00 million baht, interest rate of 4.20% per annum, maturity of 28 days, due on March 22, 2024 (interest paid equal to 0.05 million baht). - February 29, 2024, the Company issued promissory note AF007/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 29 days, due on March 29, 2024 (interest paid equal to 0.15 million baht). - March 22, 2024, the Company issued promissory note AF008/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 28 days, due on April 19, 2024 (interest paid equal to 0.14 million baht). - March 29, 2024, the Company issued promissory note AF009/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 28 days, due on April 26, 2024 (interest paid equal to 0.14 million baht). - April 19, 2024, the Company issued promissory note AF010/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 28 days, due on May 17, 2024 (interest paid equal to 0.14 million baht). - April 26, 2024, the Company issued promissory note AF011/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 28 days, due on May 24, 2024 (interest paid equal to 0.14 million baht). - May 17, 2024, the Company issued promissory note AF012/2567 with a value of 45.00 million baht, interest 			

Related party transactions	Transaction value at the end of the fiscal year (million baht)		
	2022	2023	2024
<p>rate of 4.20% per annum, maturity of 28 days, due on June 14, 2024 (interest paid equal to 0.14 million baht).</p> <p>- May 24, 2024, the Company issued promissory note AF013/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 28 days, due on June 21, 2024 (interest paid equal to 0.14 million baht).</p> <p>- June 14, 2024, the Company issued promissory note AF014/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 28 days, due on July 12, 2024 (interest paid equal to 0.14 million baht).</p> <p>- June 21, 2024, the Company issued promissory note AF015/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 28 days, due on July 19, 2024 (interest paid equal to 0.14 million baht).</p> <p>- July 12, 2024, the Company issued promissory note AF016/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 28 days, due on August 9, 2024 (interest paid equal to 0.14 million baht).</p> <p>- July 19, 2024, the Company issued promissory note AF017/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 28 days, due on August 16, 2024 (interest paid equal to 0.14 million baht).</p> <p>- August 9, 2024, the Company issued promissory note AF018/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 21 days, due on August 30, 2024 (interest paid equal to 0.11 million baht).</p> <p>- August 16, 2024, the Company issued promissory note AF019/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 14 days, due on August 30, 2024 (interest paid equal to 0.07 million baht).</p> <p>- September 25, 2024, the Company issued promissory note AF020/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 27 days, due on October 22, 2024 (interest paid equal to 0.14 million baht).</p> <p>- September 25, 2024, the Company issued promissory note AF021/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 27 days, due on October 22, 2024 (interest paid equal to 0.14 million baht).</p> <p>- October 22, 2024, the Company issued promissory note AF022/2567 with a value of 45.00 million baht, interest rate of 4.20% per annum, maturity of 30 days, due on November 21, 2024 (interest paid equal to 0.16 million baht).</p> <p>- October 22, 2024, the Company issued promissory note AF023/2567 with a value of 45.00 million baht, interest</p>			

Related party transactions	Transaction value at the end of the fiscal year (million baht)		
	2022	2023	2024
<p>rate of 4.20% per annum, maturity of 30 days, due on November 21, 2024 (interest paid equal to 0.16 million baht).</p> <p>- November 21, 2024, the Company issued promissory note AF024/2567 with a value of 45.00 million baht, interest rate of 4.00% per annum, maturity of 90 days, due on February 19, 2025 (interest paid equal to 0.44 million baht).</p> <p>- November 21, 2024, the Company issued promissory note AF025/2567 with a value of 45.00 million baht, interest rate of 4.00% per annum, maturity of 90 days, due on February 19, 2025 (interest paid equal to 0.44 million baht).</p> <p><u>Necessity/reasonableness</u></p> <p>To serve as a source of reserve funds, as interest rates from financial institutions used by the company have been continuously increasing.</p> <p><u>Audit committee's opinion</u></p> <p>The aforementioned transactions are considered beneficial to the company as they enhance liquidity for business operations. The interest rates applied are standard market rates that the company obtains from financial institutions for loans to manage business liquidity.</p>			
AIRA Property Public Company Limited			
<p>Transaction 1</p> <p><u>Nature of transaction</u></p> <p>Short-term rental</p> <p><u>Details</u></p> <p>Lease of office space on the 17th floor of the Chamchuri Square Building, under a lease agreement with Ira Securities Public Company Limited (lease expired on March 31, 2023).</p> <p><u>Necessity/reasonableness</u></p> <p>To accommodate the increasing number of employees</p> <p><u>Audit committee's opinion</u></p> <p>The aforementioned list is considered beneficial to the company, supporting the increasing number of employees and future company expansion.</p>	4.68	2.14	0.00
Aspiration One Co., Ltd. (a subsidiary of Ira Property Public Company Limited)			
Transaction 1	0.00	7.37	7.45

Related party transactions	Transaction value at the end of the fiscal year (million baht)		
	2022	2023	2024
<p><u>Nature of transaction</u></p> <p>Short-term rental</p> <p><u>Details</u></p> <p>Lease of office space on the 12A floor, Spring Tower Building, by entering into a lease agreement with Aspiration One Co., Ltd. (Lease period from April 1, 2023 to March 31, 2026)</p> <p><u>Necessity/reasonableness</u></p> <p>To accommodate the increasing number of employees</p> <p><u>Audit committee's opinion</u></p> <p>The aforementioned list is considered beneficial to the company, supporting the increasing number of employees and future expansion.</p>			
Mrs. Htayararat of Chulalongkorn			
<p>Transaction 1</p> <p><u>Nature of transaction</u></p> <p>Financial assistance request</p> <p><u>Details</u></p> <p>A credit line of 400 million baht, in the form of promissory notes, for a period of 1 year, from May 10, 2021 to May 11, 2022, to be drawn down as needed.</p> <p><u>Necessity/reasonableness</u></p> <p>To serve as working capital for business operations during the Covid-19 pandemic.</p> <p><u>Audit committee's opinion</u></p> <p>The aforementioned list is considered beneficial to the company as it enhances liquidity for business operations. The interest rate is the standard market rate that the company borrows from other financial institutions.</p>	0.00	0.00	0.00

Remark : ⁽²⁾ Financial Assistance Request to Ira Capital Public Company Limited (3rd Request) as of March 11, 2025. The company has no outstanding debt for the issuance of promissory notes from September 2024 to November 2024. This transaction will proceed with a request for a certification letter from the Board of Directors in May 2025.

9.2.3 Policy and future trends of related party transactions and the compliance with the obligations specified in the prospectus of the company

In the event that the Company enters into any agreement or conducts any transactions with its subsidiaries, associates, affiliated companies, and/or external parties, the Company shall consider the necessity and appropriateness of entering into such agreements by prioritizing the best interests of the Company.

Measures and procedures for approving related party transactions or connected transactions

In the event that the Company enters into any agreement or conducts any transaction with subsidiaries, associated companies, related companies, external parties, and/or individuals with potential conflicts of interest, for the benefit of the Company, the Board of Directors has the duty to consider and approve, including requiring compliance with the regulations of the Stock Exchange of Thailand's Notification on Information Disclosure and Conduct of Listed Companies in Connected Transactions. The price and conditions must be equivalent to those of transactions with unrelated parties. Directors with conflicts of interest in such transactions must not participate in the consideration and approval process.

Future trends in related party transactions

In the event of future transactions between related parties, the Company's policy is to conduct such transactions in accordance with the normal course of business. The Company will comply with the Securities and Exchange Act, the regulations, announcements, orders, or requirements of the Stock Exchange of Thailand, and other relevant agencies. The Company will disclose related party transactions in the notes to the financial statements and the annual registration statement.

9.2.4 Information on appraised assets and appraisal price in conjunction with the execution of related party transactions

None

Can be referred in attachment 4: assets for business undertaking and details of asset appraisal

Part 3 Financial Statement

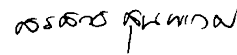
Board of Directors' Responsibility Statement for the
Financial Report

Report of the Board of Directors on Financial Statements

The management has compiled the financial statement for the year ended 31 December 2024 according to the general accounting standards, with selection of appropriate accounting policies and consistently applied. Reasonable care was considered when compiling the financial statements, and significant information was sufficiently disclosed in the accompanying notes.

The Board of directors has realized the responsibility on supervising the efficient financial report and appointed the Audit Committee which consisting of qualified persons to be responsible for supervision the accurate and complete financial report, using appropriate accounting policies and consistently applied. The committee also be in charge of verification the adequate and appropriate internal control system and participation in the company risks evaluation in order to protect and reduce the risks which may occur because of unexpected corruption or unusual operation as well as to maintain the company asset.

From the practical methods and supervision mentioned above, the Board of Directors agreed that the financial statements of AIRA Factoring Public Company Limited as of 31 December 2024 correctly and reliably indicate the financial status and operational outcomes of the Company and with adherence to generally accepted accounting principles and in accordance with the relevant laws and regulations.



(Mr. Sorasit Soontornkes)

Chairman of the Board of Directors

Auditor's Report

AIRA Factoring Public Company Limited
Report and financial statements
31 December 2024

Independent Auditor's Report

To the Shareholders of AIRA Factoring Public Company Limited

Opinion

I have audited the accompanying financial statements of AIRA Factoring Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2024, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information (collectively "the financial statements").

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AIRA Factoring Public Company Limited as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance to my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to the matter are described below.

Allowance for expected credit losses on factoring receivables and loan receivables

As described in Note 8 and 9 to the financial statements, as at 31 December 2024, the Company had total factoring and loan receivables (before deducting allowance for expected credit losses) of Baht 2,399 million and allowance for expected credit losses of Baht 191 million (representing 92% of total assets), which are material to the financial statements.

The calculation of the expected credit loss on loan receivables requires the development of a complex calculation model, which involves significant use of management's judgement to be in accordance with the Thai Financial Reporting Standards. The key management's judgements are identification of criteria for assessing that there has been a significant increase in credit risk since initial recognition, probability that the receivables will default, damage that may occur when the debtor defaults on payment, the selection of future economic variables to be incorporated in the model and management overlay for the factors which are not captured by the model. Therefore, I consider this an important matter in the key audit matter.

My audit procedures included the assessment of the appropriateness of calculation models of expected credit losses, randomly testing the accuracy and completeness of data used to develop such models including assessing the appropriateness of assumptions of future forward-looking information and management's judgement for recording management overlay. In addition, I gained an understanding, tested and assessed the effectiveness of internal control systems in relation to credit provision, debt collection and debt settlement processes, which ensured the reliability of the data used for the development of the models.

I tested the classification of receivables according to changes in credit risk and tested the calculation of expected credit losses. I considered the disclosures relating to allowance for expected credit losses on loans to debtors.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine that matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Poonnard Paocharoen
Certified Public Accountant (Thailand) No. 5238

EY Office Limited
Bangkok: 18 February 2025

Financial Statements

AIRA Factoring Public Company Limited**Statements of financial position****As at 31 December 2024**

			(Unit: Baht)
	<u>Note</u>	<u>2024</u>	<u>2023</u>
Assets			
Current assets			
Cash and cash equivalents	7	104,711,587	97,903,325
Factoring receivables	8	1,824,882,739	1,970,783,038
Current portion of loan receivables	9	261,810,470	249,916,218
Short-term loans to related party	6	10,000,000	70,000,000
Other receivables		1,740,749	1,276,316
Other current assets		1,226,554	1,161,851
Total current assets		<u>2,204,372,099</u>	<u>2,391,040,748</u>
Non-current assets			
Loan receivables - net of current portion	9	121,461,709	45,729,170
Equipment	10	4,746,312	6,203,156
Right-of-use assets	14	29,011,156	19,459,102
Intangible assets	11	3,896,263	5,071,281
Deposits and guarantees		1,949,991	1,949,991
Deferred tax assets	19	40,560,128	35,006,959
Total non-current assets		<u>201,625,559</u>	<u>113,419,659</u>
Total assets		<u>2,405,997,658</u>	<u>2,504,460,407</u>

The accompanying notes are an integral part of the financial statements.

AIRA Factoring Public Company Limited
Statements of financial position (continued)
As at 31 December 2024

			(Unit: Baht)
	<u>Note</u>	<u>2024</u>	<u>2023</u>
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	12	1,625,000,000	1,755,000,000
Short-term loans from related party	6	90,000,000	90,000,000
Retentions from factoring		49,242,927	48,971,869
Current portion of long-term loan	13	9,925,787	-
Current portion of lease liabilities	14	8,879,025	9,432,861
Excess receipts awaiting to repay		30,852,576	23,671,087
Other payables		12,958,785	9,505,613
Income tax payables		2,890,536	5,467,672
Other current liabilities		1,348,709	1,256,046
Total current liabilities		<u>1,831,098,345</u>	<u>1,943,305,148</u>
Non-current liabilities			
Long-term loan, net of current portion	13	16,904,642	-
Lease liabilities, net of current portion	14	22,695,203	11,703,402
Provision for long-term employee benefits	15	18,115,432	17,009,573
Total non-current liabilities		<u>57,715,277</u>	<u>28,712,975</u>
Total liabilities		<u>1,888,813,622</u>	<u>1,972,018,123</u>

The accompanying notes are an integral part of the financial statements.

AIRA Factoring Public Company Limited
Statements of financial position (continued)
As at 31 December 2024

			(Unit: Baht)
	<u>Note</u>	<u>2024</u>	<u>2023</u>
Shareholders' equity			
Share capital			
Registered			
1,600,000,000 ordinary shares of Baht 0.25 each		400,000,000	400,000,000
Issued and fully paid-up			
1,600,000,000 ordinary shares of Baht 0.25 each		400,000,000	400,000,000
Share premium		75,844,889	75,844,889
Capital contribution from parent company		406,077	406,077
Retained earnings			
Appropriated-statutory reserve	16	38,208,000	37,370,000
Unappropriated		2,725,070	18,821,318
Total shareholders' equity		517,184,036	532,442,284
Total liabilities and shareholders' equity		2,405,997,658	2,504,460,407
		-	-

The accompanying notes are an integral part of the financial statements.

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Directors

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AIRA Factoring Public Company Limited**Statement of comprehensive income****As at 31 December 2024**

(Unit: Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Revenues			
Interest income from factoring		175,850,284	173,614,605
Fee and service income		46,067,619	50,677,257
Interest income from loans		32,917,783	15,302,474
Other income		<u>348,087</u>	<u>1,554,556</u>
Total revenues		<u>255,183,773</u>	<u>241,148,892</u>
Expenses			
Administrative expenses		118,848,109	115,160,405
Expected credit losses		<u>33,385,992</u>	<u>53,105,059</u>
Total expenses		<u>152,234,101</u>	<u>168,265,464</u>
Operating profit		102,949,672	72,883,428
Finance income		29,952	21,664
Finance costs	17	<u>(82,100,596)</u>	<u>(63,453,231)</u>
Profit before income tax expenses		20,879,028	9,451,861
Income tax expenses	19	<u>(4,137,276)</u>	<u>(2,633,366)</u>
Profit for the year		<u>16,741,752</u>	<u>6,818,495</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>16,741,752</u></u>	<u><u>6,818,495</u></u>
Earnings per share	20		
Basic earnings per share		<u><u>0.0105</u></u>	<u><u>0.0043</u></u>

The accompanying notes are an integral part of the financial statements.

AIRA Factoring Public Company Limited**Cash flow statement****As at 31 December 2024**

	(Unit: Baht)	
	2024	2023
Cash flows from operating activities		
Profit before tax	20,879,028	9,451,861
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	10,693,243	11,363,267
Expected credit losses	33,385,992	53,105,059
Gain on disposal of equipment	-	(20,410)
Provision for long-term employee benefits	2,415,597	2,678,283
Finance cost	82,100,596	63,453,231
Profit from operating activities before changes in operating assets and liabilities	149,474,456	140,031,291
Operating assets (increase) decrease		
Factoring receivables	107,586,283	46,771,753
Loan receivables	(83,973,636)	(177,188,431)
Short-term loans to related party	60,000,000	20,000,000
Other receivables	810,436	(481,523)
Other current assets	(64,703)	(488,826)
Deposits and guarantees	-	(1,663,173)
Operating liabilities increase (decrease)		
Retentions from factoring	271,058	(12,534,203)
Excess receipts awaiting to repay	7,181,489	1,230,537
Other payables	3,263,155	2,724,756
Other current liabilities	92,663	(760,386)
Cash flows from operating activities	244,641,201	17,641,795
Cash paid for interest	(80,986,856)	(63,054,570)
Cash paid for long-term employee benefits	(1,309,737)	(1,149,089)
Cash paid for corporate income tax	(12,267,582)	(13,811,060)
Net cash flows from (used in) operating activities	150,077,026	(60,372,924)

The accompanying notes are an integral part of the financial statements.

AIRA Factoring Public Company Limited**Cash flow statement (continued)****As at 31 December 2024**

	(Unit: Baht)	
	2024	2023
Cash flows from investing activities		
Cash paid for acquisition of equipment	(252,316)	(6,214,189)
Cash paid for acquisition of intangible assets	(503,475)	(1,645,328)
Proceeds from disposal of equipment	-	23,988
Net cash flows used in investing activities	(755,791)	(7,835,529)
Cash flows from financing activities		
Increase (decrease) in short-term loans from financial institutions	(130,000,000)	65,000,000
Increase in short-term loans from related party	-	90,000,000
Increase in long-term loan from financial institution	26,830,429	-
Payment of liabilities under lease agreements	(7,343,402)	(6,836,843)
Dividend paid	(32,000,000)	(51,200,000)
Net cash flows from (used in) financing activities	(142,512,973)	96,963,157
Net increase in cash and cash equivalents	6,808,262	28,754,704
Cash and cash equivalents at beginning of year	97,903,325	69,148,621
Cash and cash equivalents at end of year	104,711,587	97,903,325
	-	
Non-cash items		
Increase in payable for intangible assets	-	271,085
Increase in right-of-use assets from lease liabilities	17,128,729	24,437,759

The accompanying notes are an integral part of the financial statements.

AIRA Factoring Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2024

							(Unit: Baht)
	Note	Issued and fully paid-up share capital	Share premium	Capital contribution from parent company	Retained earnings		Total shareholders' equity
					Appropriated	Unappropriated	
Balance as at 1 January 2023		400,000,000	75,844,889	406,077	36,970,000	12,402,823	525,623,789
Profit for the year		-	-	-	-	6,818,495	6,818,495
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	6,818,495	6,818,495
Transfer to statutory reserve	16	-	-	-	400,000	(400,000)	-
Balance as at 31 December 2023		<u>400,000,000</u>	<u>75,844,889</u>	<u>406,077</u>	<u>37,370,000</u>	<u>18,821,318</u>	<u>532,442,284</u>
Balance as at 1 January 2024		400,000,000	75,844,889	406,077	37,370,000	18,821,318	532,442,284
Profit for the year		-	-	-	-	16,741,752	16,741,752
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	16,741,752	16,741,752
Dividend paid	23	-	-	-	-	(32,000,000)	(32,000,000)
Transfer to statutory reserve	16	-	-	-	838,000	(838,000)	-
Balance as at 31 December 2024		<u>400,000,000</u>	<u>75,844,889</u>	<u>406,077</u>	<u>38,208,000</u>	<u>2,725,070</u>	<u>517,184,036</u>

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

AIRA Factoring Public Company Limited

Notes to financial statements

For the year ended 31 December 2024

1. General information

AIRA Factoring 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) on 25 August 2004. Its parent company is AIRA Capital Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in receivable factoring. The registered office of the Company is at No. 188, Spring Tower Building, 12th floor, Unit 6-10, Phayathai Road, Thung Phaya Thai Sub-District, Ratchathewi District, Bangkok.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New financial reporting standard

3.1 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2025

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2025. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

4. Accounting policies

4.1 Revenue and expense recognition

Interest income from factoring and loan receivables

Interest income from factoring and loan receivable is recognised in the profit or loss using the effective interest rate method, over the period of contracts.

When receivables are subsequently credit-impaired, the Company continues to recognise interest income using the effective interest method, based on the net book value (gross book value net of allowance for expected credit losses) of the receivables. When receivables are not credit-impaired any more, the Company then switches to calculate interest income based on the gross book value.

Fees and services income

Fees and services income are recognised point in time upon completion of the service.

Other income

Other income is recognized in the statement of comprehensive income on an accrual basis.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Expenses

Operating expenses are recognized on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Factoring and loan receivables

Factoring receivables are stated net of 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 4.12.

4.4 Equipment/Depreciation

Equipment is stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Computers	3 years
Furniture and fixtures	5 years
Office equipment	3 - 5 years

Depreciation is included in determining income.

No depreciation is provided on work under installation.

4.5 Intangible assets

Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite useful lives is computer software, which the useful lives is 5 years.

4.6 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings	1 - 6 years
Motor vehicles	4 years
Office equipment	1 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

4.7 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.8 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised 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.

An impairment loss is recognised in profit or loss.

4.9 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

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 recognised immediately in other comprehensive income.

4.10 Provisions

Provisions are recognised when the Company has 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.

4.11 Income tax

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

Current tax

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

Deferred income tax is provided 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 recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

4.12 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, receivables, that do not contain a significant financing component or for which at contract inception the Company expected payment by the customer less than one year and the Company has applied the practical expedient regarding not to adjust the effects of a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Company’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held 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.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Classification and measurement of financial liabilities

At initial recognition, the Company’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The Company recognises expected credit losses of factoring receivables and loan receivables using the General Approach. The Company determines the changes in credit risk since initial recognition and groups its receivables into 3 stages as follow:

- Stage 1: Receivables where there has not been a significant increase in credit risk (Performing) - The Company recognises allowance for expected credit losses at the amount equal to the expected credit losses in the next 12 months. The Company will use a probability of default that corresponds to remaining maturity for the receivables with a remaining maturity of less than 12 months.
- Stage 2: Receivables where there has been a significant increase in credit risk (Under-Performing) - The Company recognises allowance for expected credit losses at the amount equal to the lifetime expected credit losses of the receivables.
- Stage 3: Receivables that are credit-impaired (Non-Performing) - The Company recognises allowance for expected credit losses at the amount equal to the lifetime expected credit losses of the receivables.

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 60 days (for factoring receivables) or 30 days (for loan receivables) past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, The Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information.

In order to calculate the expected credit loss above. The Company considers its historical loss experience, adjusts this for current observable data and plus on the reasonable and supportable forecasts of future economic conditions, including appropriate use of judgement, to estimate the amount of an expected credit losses. Moreover, expected credit losses include management overlay for the factors which are not captured by the model (if any).

Increase (decrease) in an allowance for expected credit losses is recognised as expenses during the period in profit or loss.

For other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.13 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 applies 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 measures fair value using valuation technique that are appropriate in the circumstances and maximises 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 categorised within the fair value hierarchy into three levels based on categorise 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 determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses of factoring and loan receivables

The management is required to use judgement in determining the allowance for expected credit losses of factoring and loan receivables. The calculation of allowance for expected credit losses of the Company are based on the development of complex expected credit losses model with a series of underlying assumptions, the probability of default, estimated losses arising from the default including the choice of inputs the forecasted macroeconomic variables. In addition, the management also considers to provide management overlay for the factors which are not captured by the model.

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.

6. Related party transactions

The nature of the relationships between the Company and its related parties are summarised below:

Name of related parties	Relationship
AIRA Capital Public Company Limited	Parent company
AIRA Securities Public Company Limited	Common parent company
AIRA Leasing Public Company Limited	Common parent company
Aspiration One Company Limited	Common parent company
AIRA Property Public Company Limited	Common parent company
SE-Education Public Company Limited	Common major shareholder

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

	2024	2023	(Unit: Thousand Baht) Transfer pricing policy
<u>Transactions with parent company</u>			
Interest expenses	3,478	1,855	3.80 - 4.20% per annum
Other expenses	69	-	Market rate
<u>Transactions with related parties</u>			
Interest income from factoring	228	-	8.00% per annum
Fee and service income	309	-	0.15% per transaction
Interest income from short-term loans	4,027	1,622	6.70 - 6.95% per annum
Other income	-	3	Cost plus margin
Rental expenses	6,908	6,640	Market rate
Other expenses	649	1,152	Market rate

As at 31 December 2024 and 2023, the balances of the accounts between the Company and those related parties are as follows:

		(Unit: Thousand Baht)	
		2024	2023
Deposits and guarantees - related party			
Related company (related by common shareholders)		1,727	1,727
Other payables - related parties			
Parent company		20	41
Related company (related by common shareholders)		15	29
Total other payables - related parties		35	70
Lease liabilities - related parties			
Related company (related by common shareholders)		27,851	16,083

Short-term loans to and loans from related parties

As at 31 December 2024 and 2023, the balances of loans to and loans from between the Company and those related parties and the movements are as follows.

		(Unit: Thousand Baht)			
		31 December		31 December	
Loans to	Related by	2023	Increase	Decrease	2024
AIRA Leasing Public	Common parent				
Company Limited	company	70,000	300,000	(360,000)	10,000
Short-term loans to related party		70,000	300,000	(360,000)	10,000

The outstanding balance as at 31 December 2024 of short-term loans to AIRA Leasing Public Company Limited are unsecured loans and are due in January 2025. They carry interest rate at 6.70% per annum (2023: interest rate at 6.83% per annum)

		(Unit: Thousand Baht)			
		31 December		31 December	
Loans from	Related by	2023	Increase	Decrease	2024
AIRA Capital Public Company	Parent				
Limited	company	90,000	1,035,000	(1,035,000)	90,000
Short-term loans from related party		90,000	1,035,000	(1,035,000)	90,000

The outstanding balance as at 31 December 2024 of short-term loans from AIRA Capital Public Company Limited are unsecured loans and are due in February 2025. They carry interest rate at 4.00% per annum (2023: interest rate at 4.20% per annum).

Directors and management's benefits

During the year ended 31 December 2024 and 2023, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	2024	2023
Short-term employee benefits	17,176	16,011
Post-employment benefits	713	713
Total	17,889	16,724

7. Cash and cash equivalents

Cash and cash equivalents as at 31 December 2024 and 2023 were as follows:

	(Unit: Thousand Baht)	
	2024	2023
Cash	20	20
Savings and current deposits at banks	104,692	97,883
Total cash and cash equivalents	104,712	97,903

As at 31 December 2024 and 2023, bank deposits in savings accounts carried interests at rates between 0.35 - 0.40% and 0.35 - 0.50% per annum, respectively.

8. Factoring receivables

Factoring receivables as at 31 December 2024 and 2023 are as follows:

	(Unit: Thousand Baht)	
	2024	2023
Factoring receivables	2,483,530	2,647,779
Accrued interest income from factoring	66,518	47,226
Total	2,550,048	2,695,005
<u>Less:</u> Factoring payables	(547,336)	(582,512)
Unearned interest income	(14,474)	(14,604)
Total	1,988,238	2,097,889
<u>Less:</u> Allowance for expected credit losses	(163,355)	(127,106)
Factoring receivables - net	1,824,883	1,970,783

As at 31 December 2024 and 2023, the balances of factoring receivables were classified by stage of credit risk as follows:

(Unit: Thousand Baht)

As at 31 December 2024			
	Factoring receivables - net	Allowance for expected credit losses	Net balance
Receivables where there has not been a significant increase in credit risk	1,629,625	8,631	1,620,994
Receivables where there has been a significant increase in credit risk	253,148	56,783	196,365
Receivables that are credit - impaired	105,465	97,941	7,524
Total	1,988,238	163,355	1,824,883

(Unit: Thousand Baht)

As at 31 December 2023			
	Factoring receivables - net	Allowance for expected credit losses	Net balance
Receivables where there has not been a significant increase in credit risk	1,834,690	9,443	1,825,247
Receivables where there has been a significant increase in credit risk	179,313	41,301	138,012
Receivables that are credit - impaired	83,886	76,362	7,524
Total	2,097,889	127,106	1,970,783

Allowance for expected credit loss of factoring receivables for the year ended 31 December 2024 and 2023 is as follows:

(Unit: Thousand Baht)

	Allowance for expected credit losses			
	Receivables where there has not been a significant increase in credit risk (Stage 1)	Receivables where there has been a significant increase in credit risk (Stage 2)	Receivables that are credit - impaired (Stage 3)	Total
Balance as at 1 January 2024	9,443	41,301	76,362	127,106
Changes due to transfer of loan classification	(237)	(4,177)	4,414	-
Changes due to remeasurement of loss allowance	(1,109)	19,659	19,230	37,780
New financial assets purchased or acquired	534	-	-	534
Written-off	-	-	(2,065)	(2,065)
Balance as at 31 December 2024	8,631	56,783	97,941	163,355

(Unit: Thousand Baht)

	Allowance for expected credit losses			
	Receivables where there has not been a significant increase in credit risk (Stage 1)	Receivables where there has been a significant increase in credit risk (Stage 2)	Receivables that are credit - impaired (Stage 3)	Total
Balance as at 1 January 2023	12,472	-	67,654	80,126
Changes due to transfer of loan classification	(6,846)	6,832	14	-
Changes due to remeasurement of loss allowance	2,937	34,469	3,806	41,212
New financial assets purchased or acquired	880	-	4,888	5,768
Balance as at 31 December 2023	9,443	41,301	76,362	127,106

9. Loan receivables

Loan receivables as at 31 December 2024 and 2023 are as follows:

(Unit: Thousand Baht)

	Current portion of loan receivables		Loan receivables - net of current portion		Total	
	2024	2023	2024	2023	2024	2023
Loan receivables	289,126	286,909	121,800	45,858	410,926	332,767
<u>Less</u> Allowance for expected credit losses	(27,316)	(36,993)	(338)	(129)	(27,654)	(37,122)
Loan receivables - net	<u>261,810</u>	<u>249,916</u>	<u>121,462</u>	<u>45,729</u>	<u>383,272</u>	<u>295,645</u>

As at 31 December 2024 and 31 December 2023, the balances of loan receivables were classified by stage of credit risk as follows:

(Unit: Thousand Baht)

	31 December 2024		
	Loan receivables	Allowance for expected credit losses	Net balance
Receivables where there has not been a significant increase in credit risk	378,823	1,080	377,743
Receivables where there has been a significant increase in credit risk	-	-	-
Receivables that are credit - impaired	32,103	26,574	5,529
Total	<u>410,926</u>	<u>27,654</u>	<u>383,272</u>

(Unit: Thousand Baht)

	31 December 2023		
	Loan receivables	Allowance for expected credit losses	Net balance
Receivables where there has not been a significant increase in credit risk	291,125	1,009	290,116
Receivables where there has been a significant increase in credit risk	-	-	-
Receivables that are credit - impaired	41,642	36,113	5,529
Total	<u>332,767</u>	<u>37,122</u>	<u>295,645</u>

Allowance for expected credit losses of loan receivables for the years ended 31 December 2024 and 2023 is as follows:

(Unit: Thousand Baht)

	Allowance for expected credit losses			
	Receivables where there has not been a significant increase in credit risk (Stage 1)	Receivables where there has been a significant increase in credit risk (Stage 2)	Receivables that are credit - impaired (Stage 3)	Total
Balance as at 1 January 2024	1,009	-	36,113	37,122
Changes due to remeasurement of loss allowance	(892)	-	(3,724)	(4,616)
New financial assets purchased or acquired	962	-	-	962
Written-off	-	-	(5,814)	(5,814)
Balance as at 31 December 2024	1,079	-	26,575	27,654

(Unit: Thousand Baht)

	Allowance for expected credit losses			
	Receivables where there has not been a significant increase in credit risk (Stage 1)	Receivables where there has been a significant increase in credit risk (Stage 2)	Receivables that are credit - impaired (Stage 3)	Total
Balance as at 1 January 2023	179	203	30,894	31,276
Changes due to transfer to loan classification	-	(203)	203	-
Changes due to remeasurement of loss allowance	(97)	-	5,016	4,919
New financial assets purchased or acquired	927	-	-	927
Balance as at 31 December 2023	1,009	-	36,113	37,122

10. Equipment

Equipment as at 31 December 2024 and 2023 consist of the following:

(Unit: Thousand Baht)					
	Balance as at 31 December 2023	Increase	Decrease	Transfer between accounts	Balance as at 31 December 2024
Cost					
Computer	8,086	82	-	-	8,168
Furniture and fixture	14,966	126	-	-	15,092
Office equipment	1,493	44	-	-	1,537
Total cost	24,545	252	-	-	24,797
Accumulated depreciation					
Computer	(6,833)	(614)	-	-	(7,447)
Furniture and fixture	(10,303)	(1,006)	-	-	(11,309)
Office equipment	(1,206)	(89)	-	-	(1,295)
Total accumulated depreciation	(18,342)	(1,709)	-	-	(20,051)
Equipment	6,203				4,746
(Unit: Thousand Baht)					
	Balance as at 31 December 2022	Increase	Decrease	Transfer between accounts	Balance as at 31 December 2023
Cost					
Computer	7,957	1,093	(964)	-	8,086
Furniture and fixture	10,360	4,718	(309)	197	14,966
Office equipment	1,302	206	(15)	-	1,493
Work under installation	197	-	-	(197)	-
Total cost	19,816	6,017	(1,288)	-	24,545
Accumulated depreciation					
Computer	(7,352)	(441)	960	-	(6,833)
Furniture and fixture	(10,349)	(263)	309	-	(10,303)
Office equipment	(1,126)	(96)	16	-	(1,206)
Total accumulated depreciation	(18,827)	(800)	1,285	-	(18,342)
Equipment	989				6,203
Depreciation for the years ended 31 December					
2024					1,709
2023					800

As at 31 December 2024, certain equipment items were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 18 million (2023: Baht 17 million).

11. Intangible assets

Intangible assets as at 31 December 2024 and 2023 are as follows

(Unit: Thousand Baht)				
	Balance as at 31 December 2023	Increase	Transfer between accounts	Balance as at 31 December 2024
Cost				
Computer software	16,961	232	-	17,193
Intangible assets under installation	375	-	-	375
Total cost	17,336	232	-	17,568
Amortization				
Computer software	(12,265)	(1,407)	-	(13,672)
Total accumulated amortization	(12,265)	(1,407)	-	(13,672)
Intangible assets	5,071			3,896

(Unit: Thousand Baht)				
	Balance as at 31 December 2022	Increase	Transfer between accounts	Balance as at 31 December 2023
Cost				
Computer software	14,231	1,916	814	16,961
Intangible assets under installation	1,189	-	(814)	375
Total cost	15,420	1,916	-	17,336
Amortization				
Computer software	(10,024)	(2,241)	-	(12,265)
Total accumulated amortization	(10,024)	(2,241)	-	(12,265)
Intangible assets	5,396			5,071
Amortization for the years ended 31 December				
2024				1,407
2023				2,241

As at 31 December 2024, certain intangible assets were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those intangible assets amounted to approximately Baht 10 million (2023: Baht 2 million).

12. Short-term loans from financial institutions

Short-term loans from financial institutions as at 31 December 2024 and 2023 are as follows:

(Unit: Thousand Baht)

	Interest rate (% per annum)		2024	2023
	2024	2023		
Promissory notes	4.10 - 4.73	3.95 - 4.93	<u>1,625,000</u>	<u>1,755,000</u>

As at 31 December 2024 and 2023, the Company had credit facilities for short-term loans from financial institutions. Under these credit facilities, the Company has to comply with certain terms and conditions prescribed in the agreements such as not to mortgage, pledge or create of commitment over any fixed assets (Negative pledge) or maintain the financial ratio, etc.

As at 31 December 2024, the credit facilities of the Company which have not yet been drawn down amounting to of Baht 945 million (2023: Baht 835 million).

13. Long-term loans from financial institutions

On 25 July 2024, the Company entered into a loan agreement with a financial institution with the objective of accommodating a short-term financing business. Long-term loans from the financial institution were unsecured loans.

The Company agreed to make principal repayments in 36 monthly installments to the bank, with the first instalment due in September 2024. The loans carried interest at the minimum loan rate (MLR) minus 5.30% per annum.

Under the loan agreement, the Company was required to comply with certain terms and conditions prescribed in the agreement, e.g. the Company shall not default on loan payments to the bank and other creditors and not take any action leading to the Company's dissolution, liquidation or winding-up, including the use of the loan where funds are granted for a specific intended purposes only, etc.

As at 31 December 2024, the Company has already drawn down the long-term credit facilities in full amount.

14. Leases

The Company as a lessee

The Company has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 1 - 6 years.

a) Right-of-use assets

Movements of right-of-use assets during the years ended 31 December 2024 and 2023 were summarised below.

	(Unit: Thousand Baht)			
			Office	
	Buildings	Vehicles	equipment	Total
1 January 2023	1,438	1,906	-	3,344
Additions	19,655	4,303	479	24,437
Depreciation for the year	(6,352)	(1,611)	(359)	(8,322)
31 December 2023	14,741	4,598	120	19,459
Additions	16,653	-	476	17,129
Depreciation for the year	(5,676)	(1,424)	(477)	(7,577)
31 December 2024	25,718	3,174	119	29,011

b) Lease liabilities

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Lease payments	34,370	22,021
Less: Deferred interest expenses	(2,796)	(885)
Total	31,574	21,136
Less: Portion due within one year	(8,879)	(9,433)
Lease liabilities - net of current portion	22,695	11,703

Movements of the lease liability account during the years ended 31 December 2024 and 2023 are summarised below:

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Balance at beginning of year	21,136	3,410
Increase	17,129	24,438
Accretion of interest	2,173	596
Repayments	(8,864)	(7,308)
Balance at end of year	31,574	21,136

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Depreciation expense of right-of-use assets	7,577	8,322
Interest expense on lease liabilities	2,173	596
Expense relating to short-term leases	379	391

d) Others

The Company had total cash outflows for leases for the year ended 31 December 2024 of Baht 9.2 million (2023: Baht 7.7 million), including the cash outflow related to short-term lease and leases of low-value assets.

15. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Provision for long-term employee benefits at beginning of year	17,010	15,480
Included in profit or loss:		
Current service cost	2,041	2,325
Interest cost	374	354
Benefits paid during the year	<u>(1,310)</u>	<u>(1,149)</u>
Provision for long-term employee benefits at end of year	<u>18,115</u>	<u>17,010</u>

The Company expects no payment of long-term employee benefits during the next year (2023: Baht 1.7 million).

As at 31 December 2024 and 2023, the weighted average duration of the liabilities for long-term employee benefit is 8.35 years.

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	<u>2024</u>	<u>2023</u>
Discount rate	3.11%	2.95%
Salary increase rate	5.5%	5.5%
Staff turnover rate	8% - 27%	8% - 27%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2024 and 2023 are summarised below:

	(Unit: Thousand Baht)			
	2024		2023	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(396)	416	(385)	405
Salary increase rate	514	(492)	439	(421)
	Increase 10.0%	Decrease 10.0%	Increase 10.0%	Decrease 10.0%
Staff turnover rate	(359)	389	(300)	324

16. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a legal reserve 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 legal reserve is not available for dividend distribution.

17. Finance cost

	(Unit: Thousand Baht)	
	2024	2023
Interest expenses on borrowings	79,928	62,857
Interest expenses on lease liabilities	2,173	596
Total	82,101	63,453

18. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2024	2023
Salaries, wages and other employee benefits	78,081	70,261
Depreciation and amortisation	10,693	11,363
Expected credit losses	33,386	53,105
Specific business tax expenses	8,277	7,853
Examination fees on factoring documents	1,946	2,310

19. Income tax

Income tax expenses for the years ended 31 December 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)	
	2024	2023
Current income tax:		
Current income tax charge	9,690	13,090
Deferred tax:		
Relating to origination and reversal of temporary differences	(5,553)	(10,457)
Income tax expense reported in profit or loss	4,137	2,633

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)	
	2024	2023
Accounting profit before tax	20,879	9,452
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	4,176	1,890
Unrecognised temporary differences	(148)	791
Effects of:		
Non-deductible expenses	183	28
Additional expense deductions allowed	(74)	(76)
Total	109	(48)
Income tax expense reported in profit or loss	4,137	2,633

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	2024	2023
Deferred tax assets		
Allowance for expected credit losses	36,424	31,270
Provision for long-term employee benefits	3,623	3,402
Lease liabilities	513	335
Total	40,560	35,007

As at 31 December 2024 and 2023, the Company has deductible temporary differences totaling Baht 9.7 million and 10.5 million, respectively on which deferred tax assets have not been recognised as the Company believes that it is unlikely that the tax benefits can be utilized.

20. Earnings per share

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

21. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Board of Directors of the Company.

The one main reportable operating segment of the Company is the factoring business and the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

Major customers

For the year ended 31 December 2024 and 2023, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

22. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company contributes to the fund monthly at the rate of 5% - 10% of basic salary and employees contribute to the fund monthly at the rate of 5% - 15% of basic salary. The fund, which is managed by SCB Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules.

For the years ended 31 December 2024 and 2023, the Company's contributions included in administrative expenses in the statements of comprehensive income amounting to Baht 2.1 million and Baht 1.8 million, respectively.

23. Dividends

Dividends	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Interim dividend No. 1 for the net profit of the operation results during 1 January 2024 to 30 June 2024 and the retained earnings	Meeting of the Company's Board of Directors on 13 September 2024	32,000	0.02
Total for 2024		32,000	0.02

24. Commitments and contingent liabilities

24.1 Capital commitments

As at 31 December 2024 and 2023, the Company had capital commitments of approximately Baht 2.1 million, relating to software computer improvements.

24.2 Service commitments

As at 31 December 2024 and 31 December 2023, the Company has future minimum lease payments required under service agreements as follows:

	(Unit: Million Baht)	
	2024	2023
Payments		
Within 1 year	1	2

25. Financial Instruments

Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, factoring receivables, loan receivables, short-term loans to related party, other receivables, short-term and long-term loans from financial institutions, retentions from factoring, lease liabilities, excess receipts awaiting to repay and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to factoring receivables, loans receivable, short-term loans to related party and other receivables and cash at bank.

The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

The Company prepared expected credit losses model under TFRS 9 that requires the Company to determine impairment of the Company's financial assets. The Company reconsiders expected credit losses model including management overlay by periodically reviews to ascertain appropriateness of the model.

Factoring receivables and loans receivables

The Company managed the risk by adopting appropriate credit control policies and procedures whereby the Company 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. Therefore, the Company does not expect to incur material financial loss. In addition, the Company does not have high concentrations of credit risk since it has a large customer base.

Cash deposits

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's credit committee on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Interest rate risk

The Company's exposure to interest rate risk relate primarily to cash at banks, factoring receivables, loans receivables, short-term loans to related party and short-term loans and long-term from financial institutions. The Company mitigates this risk by matching the sources of borrowings with factoring receivables to ensure that the Company maintains an accumulated average spread of interest under the Company's policy. Moreover, the Company analyses the term of interest rate movement of factoring receivables, borrowings and the Company adjusts the interest rate charge to receivables when the interest rate changes. Thus, the Company is flexible in its response to interest rate fluctuations. In addition, since most of the Company's 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.

As at 31 December 2024 and 2023, significant financial assets and liabilities classified by type of interest rate are summarised 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)

	As at 31 December 2024						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Effective interest rate	
	Within 1 year	1-5 years	bearing 5 years				
				rate	bearing	Total	rate
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	7	97	104	0.35 - 0.40
Factoring receivables	1,825	-	-	-	-	1,825	6.55 - 13.00
Loan receivables	262	121	-	-	-	383	4.50 - 11.30
Short-term loans to related party	10	-	-	-	-	10	6.70
Other receivables	-	-	-	-	2	2	-
	<u>2,097</u>	<u>121</u>	<u>-</u>	<u>7</u>	<u>99</u>	<u>2,324</u>	

(Unit: Million Baht)

As at 31 December 2024

	Fixed interest rates			Floating interest rate	Non- interest rate bearing	Total	Effective interest rate (% per annum)
	Within	1-5	bearing				
	1 year	years	5 years				
				rate	bearing		
Financial liabilities							
Short-term loans from financial institutions	1,625	-	-	-	-	1,625	4.10 - 4.73
Short term loans from related party	90	-	-	-	-	90	4.00
Retentions from factoring	-	-	-	-	49	49	-
Lease liabilities	9	23	-	-	-	32	2.70 - 4.46
Excess receipts awaiting to repay	-	-	-	-	31	31	-
Other payables	-	-	-	-	13	13	-
Long-term loan from financial institution	-	-	-	27	-	27	MLR - 5.30
	<u>1,724</u>	<u>23</u>	<u>-</u>	<u>27</u>	<u>93</u>	<u>1,867</u>	

(Unit: Million Baht)

As at 31 December 2023

	Fixed interest rates			Floating interest rate	Non- interest rate bearing	Total	Effective interest rate (% per annum)
	Within	1-5	bearing				
	1 year	years	5 years				
				rate	bearing		
Financial assets							
Cash and cash equivalents	-	-	-	5	93	98	0.32 - 0.50
Factoring receivables	1,971	-	-	-	-	1,971	6.55 - 14.50
Loan receivables	250	46	-	-	-	296	4.50 - 11.30
Short-term loans to related party	70	-	-	-	-	70	6.83
Other receivables	-	-	-	-	1	1	-
	<u>2,291</u>	<u>46</u>	<u>-</u>	<u>5</u>	<u>94</u>	<u>2,436</u>	
Financial liabilities							
Short-term loans from financial institutions	1,755	-	-	-	-	1,755	3.95 - 4.93
Short term loans from related party	90	-	-	-	-	90	4.20
Retentions from factoring	-	-	-	-	49	49	-
Lease liabilities	9	12	-	-	-	21	2.70 - 3.67
Excess receipts awaiting to repay	-	-	-	-	24	24	-
Other payables	-	-	-	-	10	10	-
	<u>1,854</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>83</u>	<u>1,949</u>	

Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the Company incurring a financial loss.

The Company has established a liquidity management policy, to ensure that the Company has sufficient liquidity to meet debt and other obligations when due in normal circumstances, and has the liquidity contingency plans in place to handle crisis situations, as well as to ensure that management of liquidity strikes an appropriate balance between costs and benefits.

The table below summarises the maturity profile of the Company's financial liabilities as at 31 December 2024 and 2023 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	As at 31 December 2024			
	At call	Within 1 year	1 - 5 years	Total
Financial liabilities				
Short-term loans from financial institutions	-	1,637	-	1,637
Short-term loans from related party	-	91	-	91
Retentions from factoring	49	-	-	49
Lease liabilities	-	10	24	34
Excess receipts awaiting to repay	-	31	-	31
Other payables	-	13	-	13
Long-term loan from financial institution	-	11	17	28
Total financial liabilities	49	1,793	41	1,883

(Unit: Million Baht)

	As at 31 December 2023			
	At call	Within 1 year	1 - 5 years	Total
Financial liabilities				
Short-term loans from financial institutions	-	1,755	-	1,755
Short-term loans from related party	-	90	-	90
Retentions from factoring	49	-	-	49
Lease liabilities	-	10	12	22
Excess receipts a waiting to repay	-	24	-	24
Other payables	-	10	-	10
Total financial liabilities	49	1,889	12	1,950

Foreign currency risk

The Company is not exposed to foreign currency risk because no trading transactions are denominated in foreign currency.

Fair value of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

26. 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 maximise shareholder value. As at 31 December 2024 and 2023, the Company's debt-to-equity ratios are 3.65 and 3.70, respectively.

27. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 18 February 2025.

Back up attachment

Back up attachment

Attachment 1 : Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary, and the representative for contact and coordination in case of a foreign company

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0787/2024/1742340807928.pdf>



Attachment 2 : Details of the directors of subsidiaries

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0787/2024/1742340807887.pdf>



Attachment 3 : Details of the Heads of the Internal Audit and Compliance Units

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0787/2024/1742340807891.pdf>



Attachment 4 : Assets for business undertaking and details of asset appraisal

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0787/2024/1742340807895.pdf>



Attachment 5 : Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0787/2024/1742340807899.pdf>



Attachment 6 : Report of the Audit Committee

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0787/2024/1742340807903.pdf>



Attachment 7 : Code of Conduct

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0787/2024/1742340807907.pdf>

