

AIRA Factoring Public Company Limited  
Review report and interim financial information  
For the three-month period ended 31 March 2024

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of AIRA Factoring Public Company Limited

I have reviewed the accompanying statement of financial position of AIRA Factoring Public Company Limited as at 31 March 2024, and the related statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Poonnard Paocharoen

Certified Public Accountant (Thailand) No. 5238

EY Office Limited

Bangkok: 9 May 2024

**AIRA Factoring Public Company Limited****Statements of financial position****As at 31 March 2024**

(Unit: Thousand Baht)			
	<u>Note</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		74,917	97,903
Factoring receivables	3	1,871,441	1,970,783
Current portion of loan receivables	4	218,149	249,916
Short-term loans to related party	2	90,000	70,000
Other receivables		1,193	1,277
Other current assets		2,376	1,162
<b>Total current assets</b>		<u>2,258,076</u>	<u>2,391,041</u>
<b>Non-current assets</b>			
Loan receivables - net of current portion	4	58,927	45,729
Equipment		5,919	6,203
Right-of-use assets		34,498	19,459
Intangible assets		4,874	5,071
Deposits and guarantees		1,950	1,950
Deferred tax assets	6	35,195	35,007
<b>Total non-current assets</b>		<u>141,363</u>	<u>113,419</u>
<b>Total assets</b>		<u><u>2,399,439</u></u>	<u><u>2,504,460</u></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 March 2024**

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
		(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term loans from financial institutions	5	1,610,000	1,755,000
Short-term loans from related party	2	90,000	90,000
Retentions from factoring		50,559	48,972
Current portion of lease liabilities		8,531	9,433
Excess receipts awaiting to repay		32,464	23,671
Other payables		7,766	9,505
Income tax payables		8,131	5,468
Other current liabilities		1,262	1,256
<b>Total current liabilities</b>		<b>1,808,713</b>	<b>1,943,305</b>
<b>Non-current liabilities</b>			
Lease liabilities, net of current portion		28,176	11,703
Provision for long-term employee benefits		17,661	17,010
<b>Total non-current liabilities</b>		<b>45,837</b>	<b>28,713</b>
<b>Total liabilities</b>		<b>1,854,550</b>	<b>1,972,018</b>

The accompanying notes are an integral part of the financial statements.

**AIRA Factoring Public Company Limited**  
**Statements of financial position (continued)**  
**As at 31 March 2024**

	(Unit: Thousand Baht)	
	<u>Note</u>	
	31 March 2024	31 December 2023
	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>		
Share capital		
Registered		
1,600,000,000 ordinary shares of Baht 0.25 each	400,000	400,000
Issued and fully paid-up		
1,600,000,000 ordinary shares of Baht 0.25 each	400,000	400,000
Share premium	75,845	75,845
Capital contribution from parent company	406	406
Retained earnings		
Appropriated-statutory reserve	37,370	37,370
Unappropriated	31,268	18,821
<b>Total shareholders' equity</b>	<b>544,889</b>	<b>532,442</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,399,439</b>	<b>2,504,460</b>
	-	-

The accompanying notes are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

**AIRA Factoring Public Company Limited**

**Statement of comprehensive income**

**For the three-month period ended 31 March 2024**

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	Note	2024	2023
<b>Revenues</b>			
Interest income from factoring		44,242	43,006
Fee and service income		11,018	13,633
Interest income from loans		7,289	2,747
Other income		348	-
<b>Total revenues</b>		<b>62,897</b>	<b>59,386</b>
<b>Expenses</b>			
Administrative expenses		29,183	28,272
Expected credit losses (reversal)		(1,780)	2,298
<b>Total expenses</b>		<b>27,403</b>	<b>30,570</b>
<b>Operating profit</b>		<b>35,494</b>	<b>28,816</b>
Finance cost		(20,327)	(14,056)
<b>Profit before income tax expenses</b>		<b>15,167</b>	<b>14,760</b>
Income tax expenses	6	(2,720)	(2,872)
<b>Profit for the period</b>		<b>12,447</b>	<b>11,888</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>12,447</b>	<b>11,888</b>
<b>Earnings per share</b>			
Basic earnings per share		0.0078	0.0074

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**AIRA Factoring Public Company Limited**

**Cash flow statement**

**For the three-month period ended 31 March 2024**

(Unit: Thousand Baht)

	2024	2023
<b>Cash flows from operating activities</b>		
Profit before tax	15,167	14,760
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and amortisation	2,392	2,457
Expected credit losses (reversal)	(1,780)	2,298
Provision for long-term employee benefits	651	651
Finance cost	20,327	14,056
Profit from operating activities before changes in operating assets and liabilities	36,757	34,222
Operating assets (increase) decrease		
Factoring receivables	100,960	5,891
Loan receivables	18,730	(18,276)
Short-term loans to related party	(20,000)	90,000
Other receivables	85	13
Other current assets	(1,214)	(1,356)
Deposits and guarantees	-	(1,727)
Operating liabilities increase (decrease)		
Retentions from factoring	1,587	(387)
Excess receipts awaiting to repay	8,793	27,548
Other payables	(1,470)	1,589
Other current liabilities	6	(795)
Cash flows from operating activities	144,234	136,722
Cash paid for interest	(19,632)	(14,161)
Cash paid for corporate income tax	(245)	(171)
<b>Net cash flows from operating activities</b>	<b>124,357</b>	<b>122,390</b>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**AIRA Factoring Public Company Limited**

**Cash flow statement (continued)**

**For the three-month period ended 31 March 2024**

(Unit: Thousand Baht)

	2024	2023
<b>Cash flows from investing activities</b>		
Cash paid for acquisition of equipment	(148)	(3,011)
Cash paid for acquisition of intangible assets	(421)	-
<b>Net cash flows used in investing activities</b>	<b>(569)</b>	<b>(3,011)</b>
<b>Cash flows from financing activities</b>		
Decrease in short-term loans from financial institutions	(145,000)	(67,000)
Payment of liabilities under lease agreements	(1,774)	(1,773)
Cash for dividend paid	-	(51,200)
<b>Net cash flows used in financing activities</b>	<b>(146,774)</b>	<b>(119,973)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(22,986)</b>	<b>(594)</b>
Cash and cash equivalents at beginning of period	97,903	69,149
<b>Cash and cash equivalents at end of period</b>	<b>74,917</b>	<b>68,555</b>
	-	
<b>Supplemental cash flows information</b>		
Non-cash items		
Lease modification	16,652	-

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

**AIRA Factoring Public Company Limited**

**Statement of changes in shareholders' equity**

**For the three-month period ended 31 March 2024**

(Unit: Thousand Baht)

	Issued and fully paid-up share capital	Share premium	Capital contribution from parent company	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated	
<b>Balance as at 1 January 2023</b>	400,000	75,845	406	36,970	12,403	525,624
Profit for the period	-	-	-	-	11,888	11,888
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	11,888	11,888
<b>Balance as at 31 March 2023</b>	400,000	75,845	406	36,970	24,291	537,512
<b>Balance as at 1 January 2024</b>	400,000	75,845	406	37,370	18,821	532,442
Profit for the period	-	-	-	-	12,447	12,447
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	12,447	12,447
<b>Balance as at 31 March 2024</b>	400,000	75,845	406	37,370	31,268	544,889

The accompanying notes are an integral part of the financial statements.

**AIRA Factoring Public Company Limited**

**Notes to interim financial statements**

**For the three-month period ended 31 March 2024**

**1. General information**

**1.1 General information of the Company**

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, 12A Floor, Unit 6-10, Phayathai Road, ThungPhayathai Sub-District, Ratchathewi District, Bangkok.

**1.2 Basis for preparation of interim financial information**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the interim Thai language financial statements.

**1.3 Accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2023.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, do not have any significant impact on the Company's financial statements.

## 2. 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

During the period, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2024	2023
<u>Transactions with parent company</u>		
Interest expenses	920	-
<u>Transactions with related parties</u>		
Interest income from short-term loans	1,434	258
Rental expenses	1,727	1,459
Other expenses	171	680

As at 31 March 2024 and 31 December 2023, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	31 March	31 December
	2024	2023
<b>Deposits and guarantees - related party</b>		
Related company (related by common shareholders)	1,727	1,727
<b>Other payables - related parties</b>		
Parent company	54	41
Related company (related by common shareholders)	35	29
<b>Total other payables - related parties</b>	89	70

(Unaudited but reviewed)

(Unit: Thousand Baht)

	31 March 2024	31 December 2023
<b>Lease liabilities - related party</b>		
Related company (related by common shareholders)	32,061	16,083

Short-term loans to and loans from related parties

As at 31 March 2024 and 31 December 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)

Loans to	Related by	31 December 2023	Increase	Decrease	31 March 2024
AIRA Leasing Public Company Limited	Common parent company	70,000	90,000	(70,000)	90,000
Short-term loans to related party		70,000	90,000	(70,000)	90,000

The outstanding balance as at 31 March 2024 of short-term loans to AIRA Leasing Public Company Limited are unsecured loans and are due in May 2024. They carry interest rate at 6.95% per annum (31 December 2023: interest rate at 6.83% per annum).

(Unit: Thousand Baht)

Loans from	Related by	31 December 2023	Increase	Increase	31 March 2024
AIRA Capital Public Company Limited	Parent company	90,000	90,000	(90,000)	90,000
Short-term loans from related party		90,000	90,000	(90,000)	90,000

The outstanding balance as at 31 March 2024 of short-term loans from AIRA Capital Public Company Limited are unsecured loans and are due in April 2024. They carry interest rate at 4.20% per annum (31 December 2023: interest rate at 4.20% per annum).

Directors and management's benefits

During the three-month periods ended 31 March 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	4,174	3,688
Post-employment benefits	178	178
Total	4,352	3,866

### 3. Factoring receivables

Factoring receivables as at 31 March 2024 and 31 December 2023 are as follows:

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
Factoring receivables	2,527,756	2,647,779
Accrued interest income from factoring	52,202	47,226
Total	2,579,958	2,695,005
<u>Less:</u> Factoring payables	(569,058)	(582,512)
Unearned interest income	(13,971)	(14,604)
Total	1,996,929	2,097,889
<u>Less:</u> Allowance for expected credit losses	(125,488)	(127,106)
Factoring receivables - net	1,871,441	1,970,783

As at 31 March 2024 and 31 December 2023, factoring receivables were classified by stage of credit risk as follows:

	(Unit: Thousand Baht)		
	As at 31 March 2024		
	Factoring receivables - net	Allowance for expected credit losses	Net balance
Receivables where there has not been a significant increase in credit risk	1,681,320	8,065	1,673,255
Receivables where there has been a significant increase in credit risk	231,487	40,825	190,662
Receivables that are credit-impaired	84,122	76,598	7,524
Total	1,996,929	125,488	1,871,441

	(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

(Unaudited but reviewed)

Allowance for expected credit losses of factoring receivables for the three-month period ended 31 March 2024 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	(125)	125	-	-
Changes due to remeasurement of loss allowance	(1,320)	(601)	236	(1,685)
New financial assets purchased or acquired	67	-	-	67
Balance as at 31 March 2024	8,065	40,825	76,598	125,488

#### 4. Loan receivables

Loan receivables as at 31 March 2024 and 31 December 2023 are as follows:

(Unit: Thousand Baht)

	Current portion of loan receivables		Loan receivables - net of current portion		Total	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Loan receivables	254,968	286,909	59,069	45,858	314,037	332,767
<u>Less</u> Allowance for expected credit losses	(36,819)	(36,993)	(142)	(129)	(36,961)	(37,122)
Loan receivables - net	218,149	249,916	58,927	45,729	277,076	295,645

(Unaudited but reviewed)

As at 31 March 2024 and 31 December 2023, loan receivables were classified by stage of credit risk as follows:

(Unit: Thousand Baht)

As at 31 March 2024			
	Loan receivables	Allowance for expected credit losses	Net balance
Receivables where there has not been a significant increase in credit risk	272,395	848	271,547
Receivables where there has been a significant increase in credit risk	-	-	-
Receivables that are credit-impaired	41,642	36,113	5,529
Total	314,037	36,961	277,076

(Unit: Thousand Baht)

As at 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	332,767	37,122	295,645

(Unaudited but reviewed)

Allowance for expected credit losses of loan receivables for the three-month period ended 31 March 2024 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	(680)	-	-	(680)
New financial assets purchased or acquired	519	-	-	519
Balance as at 31 March 2024	848	-	36,113	36,961

## 5. Short-term loans from financial institutions

Short-term loans from financial institutions as at 31 March 2024 and 31 December 2023 are as follows:

(Unit: Thousand Baht)

	Interest rate (% per annum)		Balance	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Promissory notes	4.10 - 4.85	3.95 - 4.93	1,610,000	1,755,000

As at 31 March 2024 and 31 December 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 March 2024, the credit facilities of the Company which have not yet been drawn down amounting to Baht 980 million (31 December 2023: Baht 835 million).



## 6. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)	
	2024	2023
<b>Current income tax:</b>		
Current income tax charge	2,908	3,542
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(188)	(670)
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>2,720</b>	<b>2,872</b>

## 7. 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 three-month periods ended 31 March 2024 and 2023, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

## 8. Commitments and contingent liabilities

### 8.1 Capital commitments

As at 31 March 2024 and 31 December 2023, the Company had capital commitments of approximately Baht 2.1 million, relating software computer improvements.

## 8.2 Service commitments

As at 31 March 2024 and 31 December 2023, the Company has future minimum lease payments required under service agreements as follows:

	(Unit: Million Baht)	
	31 March 2024	31 December 2023
Payment		
Within 1 year	4	2

## 9. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 May 2024.