

# Financial Statement

AIRA Capital Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	934,040,039	264,612,211	270,366,645	19,983,585
Short-term investments	9	564,721,670	218,693,439	400,600,000	-
Receivables from Clearing House	10	92,537,623	479,307,788	-	-
Securities and derivatives business receivables	11	1,169,920,429	1,384,202,507	-	-
Factoring receivables	12	2,349,173,186	2,419,326,742	-	-
Current portion of loans receivable	13	5,421,046	50,816,016	-	-
Short-term loans to related parties	7	-	-	287,559,982	99,563,399
Other receivables	14	22,932,800	18,878,994	696,311	147,460
Other current assets		12,894,400	9,199,388	628,636	324,573
<b>Total current assets</b>		<b>5,151,641,193</b>	<b>4,845,037,085</b>	<b>959,851,574</b>	<b>120,019,017</b>
<b>Non-current assets</b>					
Restricted deposit		4,400,000	-	4,400,000	-
Loans receivable	13	-	64,100,254	-	-
Investment in associate	15	266,690,660	300,129,707	300,000,000	300,000,000
Investments in subsidiaries	16	-	-	1,926,303,713	1,339,667,869
Other long-term investment	9	3,000,000	3,000,000	-	-
Equipment	17	96,307,014	97,198,007	5,199,331	5,529,308
Goodwill		134,896,425	134,896,425	-	-
Other intangible assets	18	111,176,637	106,568,518	66,000	69,269
Deferred tax assets	31	5,277,843	4,741,505	-	-
Assets held for sale	19	9,853,200	11,150,000	-	-
Other non-current assets		45,584,222	40,668,750	1,294,273	1,285,774
<b>Total non-current assets</b>		<b>677,186,001</b>	<b>762,453,166</b>	<b>2,237,263,317</b>	<b>1,646,552,220</b>
<b>Total assets</b>		<b>5,828,827,194</b>	<b>5,607,490,251</b>	<b>3,197,114,891</b>	<b>1,766,571,237</b>

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

**AIRA Capital Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2015**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	20	1,229,637,225	1,250,000,000	-	-
Payables to Clearing House	21	126,289,449	1,854,356	-	-
Securities and derivatives business payables	22	195,533,711	492,525,307	-	-
Other payables	23	6,065,459	8,230,815	926,285	1,304,881
Current portion of liabilities under finance lease		457,112	242,313	-	-
Current portion of subordinated debentures	24	200,000,000	200,000,000	-	-
Bill of exchange - related parties	25	637,238,007	1,543,722,056	-	149,096,649
Retention from factoring		46,278,533	47,366,120	-	-
Income tax payable		5,806,636	31,610,026	-	-
Other current liabilities	26	53,447,780	96,444,878	8,680,855	9,280,338
<b>Total current liabilities</b>		<b>2,500,753,912</b>	<b>3,671,995,871</b>	<b>9,607,140</b>	<b>159,681,868</b>
<b>Non-current liabilities</b>					
Liabilities under finance lease		-	457,112	-	-
Subordinated debentures	24	-	200,000,000	-	-
Provision for long-term employee benefits	27	22,047,005	15,160,767	3,862,217	1,037,925
Deferred tax liabilities	31	4,048,505	9,969,534	-	-
Other non-current liabilities		5,120,837	3,693,453	374,176	233,860
<b>Total non-current liabilities</b>		<b>31,216,347</b>	<b>229,280,866</b>	<b>4,236,393</b>	<b>1,271,785</b>
<b>Total liabilities</b>		<b>2,531,970,259</b>	<b>3,901,276,737</b>	<b>13,843,533</b>	<b>160,953,653</b>

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

**AIRA Capital Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2015**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>Shareholders' equity</b>					
Share capital	28				
Registered					
7,160,000,000 ordinary shares of Baht 0.25 each					
(31 December 2014: 4,000,000,000 ordinary shares of Baht 0.25 each)		1,790,000,000	1,000,000,000	1,790,000,000	1,000,000,000
Issued and paid-up					
5,496,760,513 ordinary shares of Baht 0.25 each					
(31 December 2014: 3,893,595,260 ordinary shares of Baht 0.25 each)		1,374,190,128	973,398,815	1,374,190,128	973,398,815
Share premium		1,781,411,439	605,832,205	1,781,411,439	605,832,205
Capital reserve for share-based payment transactions	29	1,422,513	2,707,825	1,422,513	2,707,825
Advance receipt of share subscription	29	4,734,791	3,957,275	4,734,791	3,957,275
Retained earnings					
Appropriated - statutory reserve	30	11,209,551	8,946,137	11,209,551	8,946,137
Unappropriated		(68,890,975)	77,172,460	10,302,936	10,775,327
Other component of shareholders' equity		(66,175,857)	(56,421,272)	-	-
Equity attributable to shareholders of the Company		3,037,901,590	1,615,593,445	3,183,271,358	1,605,617,584
Non-controlling interests of the subsidiaries		258,955,345	90,620,069	-	-
<b>Total shareholders' equity</b>		<b>3,296,856,935</b>	<b>1,706,213,514</b>	<b>3,183,271,358</b>	<b>1,605,617,584</b>
<b>Total liabilities and shareholders' equity</b>		<b>5,828,827,194</b>	<b>5,607,490,251</b>	<b>3,197,114,891</b>	<b>1,766,571,237</b>
		0	0	0	0

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

Directors

**AIRA Capital Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2015**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
			(Restated)		
<b>Revenues</b>					
Brokerage fees	32	398,803,134	478,245,523	-	-
Fees and services income	33	57,914,837	58,074,879	-	-
Gain on securities		-	76,758,220	-	34,247
Interest and dividend		52,705,565	63,614,004	92,717,310	108,095,526
Interest on margin loans		65,368,524	35,439,835	-	-
Interest income from factoring		155,960,934	147,823,964	-	-
Other incomes		2,971,835	3,506,580	6,204,545	220
<b>Total revenues</b>		<b>733,724,829</b>	<b>863,463,005</b>	<b>98,921,855</b>	<b>108,129,993</b>
<b>Expenses</b>					
Operating and administrative expenses					
Personnel expenses		327,506,318	369,670,809	32,179,966	29,262,963
Premises and equipment expenses		91,463,748	86,367,460	4,784,686	4,802,954
Fees and services expenses		56,583,093	62,444,991	3,898,708	5,340,144
Other expenses		105,931,419	88,159,014	9,731,133	10,547,207
Total operating and administrative expenses		581,484,578	606,642,274	50,594,493	49,953,268
Bad debt and doubtful accounts		52,381,591	28,684,725	-	-
Loss on securities		53,219,878	-	-	-
<b>Total expenses</b>		<b>687,086,047</b>	<b>635,326,999</b>	<b>50,594,493</b>	<b>49,953,268</b>
<b>Profit before share of gain (loss) from investment in associate,</b>					
finance costs and income tax expenses		46,638,782	228,136,006	48,327,362	58,176,725
Share of gain (loss) from investment in associate		(33,439,046)	129,707	-	-
<b>Profit before finance costs and income tax expenses</b>		<b>13,199,736</b>	<b>228,265,713</b>	<b>48,327,362</b>	<b>58,176,725</b>
Finance costs		(98,805,906)	(109,564,171)	(3,059,089)	(5,981,971)
<b>Profit (loss) before income tax expenses</b>		<b>(85,606,170)</b>	<b>118,701,542</b>	<b>45,268,273</b>	<b>52,194,754</b>
Income tax expenses	31	(15,221,530)	(44,476,425)	-	-
<b>Profit (loss) for the year</b>		<b>(100,827,700)</b>	<b>74,225,117</b>	<b>45,268,273</b>	<b>52,194,754</b>

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

**AIRA Capital Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2015**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
			(Restated)		
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Loss on re-measuring available-for-sale investments		(29,149,065)	(990,071)	-	-
Exchange differences on translation of financial statement in foreign currency		(843,753)	391,461	-	-
Income tax relating to the components of other comprehensive income	31	5,829,813	198,014	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(24,163,005)	(400,596)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain (loss)		(3,946,440)	2,156,259	(2,252,671)	-
Income tax relating to the components of other comprehensive income	31	333,715	(431,252)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(3,612,725)	1,725,007	(2,252,671)	-
Other comprehensive income for the year		(27,775,730)	1,324,411	(2,252,671)	-
<b>Total comprehensive income for the year</b>		<b>(128,603,430)</b>	<b>75,549,528</b>	<b>43,015,602</b>	<b>52,194,754</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(98,962,717)	69,976,583	45,268,273	52,194,754
Non-controlling interests of the subsidiaries		(1,864,983)	4,248,534		
		<u>(100,827,700)</u>	<u>74,225,117</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(126,654,072)	70,813,675	43,015,602	52,194,754
Non-controlling interests of the subsidiaries		(1,949,358)	4,735,853		
		<u>(128,603,430)</u>	<u>75,549,528</u>		
<b>Earnings per share</b>	35				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		<u>(0.021)</u>	<u>0.020</u>	<u>0.010</u>	<u>0.015</u>
Diluted earnings per share					
Profit (loss) attributable to equity holders of the Company			0.020	0.009	0.015

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

Directors

**AIRA Capital Public Company Limited and its subsidiaries**  
**Statement of changes in shareholders' equity**  
**For the year ended 31 December 2015**

(Unit: Baht)

Consolidated financial statements														
Equity attributable to shareholders of the Company														
Other component of shareholders' equity														
							Capital surplus	Exchange						
							(deficit)	Revaluation	differences on	Total other	Total equity	Equity attributable		
			Capital reserve	Advance receipt of	Retained earnings	from change in	surplus	differences on	component of	attributable to	to non-controlling	Total		
	Issued and paid-up	Share premium	for share-based	share subscription	Appropriated -	shareholding	(deficit)	translation of	shareholders'	shareholders of	interest of the	shareholders'		
Note	share capital	Share premium	payment transactions	share subscription	statutory reserve	Unappropriated	in subsidiaries	in investment	in foreign currency	equity	the Company	subsidiaries	equity	
Balance as at 31 December 2013	779,182,590	230,566,100	1,605,843	-	6,336,400	55,250,047	(36,583,467)	(19,803,193)	405,130	(55,981,530)	1,016,959,450	93,158,889	1,110,118,339	
Profit for the year	-	-	-	-	-	69,976,583	-	-	-	-	69,976,583	4,248,534	74,225,117	
Other comprehensive income for the year	-	-	-	-	-	1,276,834	-	(792,057)	352,315	(439,742)	837,092	487,319	1,324,411	
Total comprehensive income for the year	-	-	-	-	-	71,253,417	-	(792,057)	352,315	(439,742)	70,813,675	4,735,853	75,549,528	
Share-based payment transactions	29	-	-	2,234,381	-	-	-	-	-	-	2,234,381	-	2,234,381	
Dividend paid	36	-	-	-	-	(46,721,267)	-	-	-	-	(46,721,267)	-	(46,721,267)	
Increase share capital	28	189,650,100	374,133,706	-	-	-	-	-	-	-	563,783,806	-	563,783,806	
Appropriation retained earnings	30	-	-	-	-	2,609,737	(2,609,737)	-	-	-	-	-	-	
Advance receipt of share subscription	28	-	-	-	3,957,275	-	-	-	-	-	3,957,275	-	3,957,275	
Dividend paid for non-controlling interest of the subsidiary		-	-	-	-	-	-	-	-	-	-	(7,274,673)	(7,274,673)	
Capital increase due to current warrants to shares	28	4,566,125	1,132,399	(1,132,399)	-	-	-	-	-	-	4,566,125	-	4,566,125	
Balance as at 31 December 2014	973,398,815	605,832,205	2,707,825	3,957,275	8,946,137	77,172,460	(36,583,467)	(20,595,250)	757,445	(56,421,272)	1,615,593,445	90,620,069	1,706,213,514	
Balance as at 31 December 2014	973,398,815	605,832,205	2,707,825	3,957,275	8,946,137	77,172,460	(36,583,467)	(20,595,250)	757,445	(56,421,272)	1,615,593,445	90,620,069	1,706,213,514	
Loss for the year	-	-	-	-	-	(98,962,717)	-	-	-	-	(98,962,717)	(1,864,983)	(100,827,700)	
Other comprehensive income for the year	-	-	-	-	-	(3,612,725)	-	(23,319,252)	(759,378)	(24,078,630)	(27,691,355)	(84,375)	(27,775,730)	
Total comprehensive income for the year	-	-	-	-	-	(102,575,442)	-	(23,319,252)	(759,378)	(24,078,630)	(126,654,072)	(1,949,358)	(128,603,430)	
Share-based payment transactions	29	-	-	1,136,514	-	-	-	-	-	-	1,136,514	-	1,136,514	
Dividend paid	36	-	-	-	-	(41,224,579)	-	-	-	-	(41,224,579)	-	(41,224,579)	
Increase share capital	28	390,943,486	1,172,580,458	-	-	-	-	-	-	-	1,563,523,944	-	1,563,523,944	
Appropriation retained earnings	30	-	-	-	-	2,263,414	(2,263,414)	-	-	-	-	-	-	
Advance receipt of share subscription	28	-	-	-	11,202,293	-	-	-	-	-	11,202,293	-	11,202,293	
Capital surplus from change in shareholding in subsidiaries	16	-	-	-	-	-	14,324,045	-	-	14,324,045	14,324,045	-	14,324,045	
Increase in equity attributable to non-controlling interest of subsidiaries from change in shareholding in subsidiaries		-	-	-	-	-	-	-	-	-	-	8,400,454	8,400,454	
Subsidiaries ordinary shares for non-controlling interest of the subsidiaries		-	-	-	-	-	-	-	-	-	-	167,080,372	167,080,372	
Dividend paid for non-controlling interest of the subsidiary		-	-	-	-	-	-	-	-	-	-	(5,196,192)	(5,196,192)	
Capital increase due to convert warrants to shares	28	9,847,827	2,998,776	(2,421,826)	(10,424,777)	-	-	-	-	-	-	-	-	
Balance as at 31 December 2015	1,374,190,128	1,781,411,439	1,422,513	4,734,791	11,209,551	(68,890,975)	(22,259,422)	(43,914,502)	(1,933)	(66,175,857)	3,037,901,590	258,955,345	3,296,856,935	

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

AIRA Capital Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2015

(Unit: Baht)

		Separate financial statements						
	Note	Issued and paid-up		Capital reserve	Advance receipt	Retained earnings		Total
		share capital	Share premium	for share-based payment transactions	of share subscription	Appropriated - statutory reserve	Unappropriated	shareholders' equity
<b>Balance as at 31 December 2013</b>		779,182,590	230,566,100	1,605,843	-	6,336,400	7,911,577	1,025,602,510
Profit (loss) for the year		-	-	-	-	-	52,194,754	52,194,754
Other comprehensive income (loss) for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	52,194,754	52,194,754
Share-based payment transactions	29	-	-	2,234,381	-	-	-	2,234,381
Dividend paid	36	-	-	-	-	-	(46,721,267)	(46,721,267)
Increase share capital	28	189,650,100	374,133,706	-	-	-	-	563,783,806
Advance receipt of share subscription	28	-	-	-	3,957,275	-	-	3,957,275
Capital increase due to convert warrants to shares	28	4,566,125	1,132,399	(1,132,399)	-	-	-	4,566,125
Appropriation retained earnings	30	-	-	-	-	2,609,737	(2,609,737)	-
<b>Balance as at 31 December 2014</b>		<u>973,398,815</u>	<u>605,832,205</u>	<u>2,707,825</u>	<u>3,957,275</u>	<u>8,946,137</u>	<u>10,775,327</u>	<u>1,605,617,584</u>
<b>Balance as at 31 December 2014</b>		973,398,815	605,832,205	2,707,825	3,957,275	8,946,137	10,775,327	1,605,617,584
Profit for the year		-	-	-	-	-	45,268,273	45,268,273
Other comprehensive income for the year		-	-	-	-	-	(2,252,671)	(2,252,671)
Total comprehensive income for the year		-	-	-	-	-	43,015,602	43,015,602
Share-based payment transactions	29	-	-	1,136,514	-	-	-	1,136,514
Dividend paid	36	-	-	-	-	-	(41,224,579)	(41,224,579)
Increase share capital	28	390,943,486	1,172,580,458	-	-	-	-	1,563,523,944
Advance receipt of share subscription	28	-	-	-	11,202,293	-	-	11,202,293
Capital increase due to convert warrants to shares	28	9,847,827	2,998,776	(2,421,826)	(10,424,777)	-	-	-
Appropriation retained earnings	30	-	-	-	-	2,263,414	(2,263,414)	-
<b>Balance as at 31 December 2015</b>		<u>1,374,190,128</u>	<u>1,781,411,439</u>	<u>1,422,513</u>	<u>4,734,791</u>	<u>11,209,551</u>	<u>10,302,936</u>	<u>3,183,271,358</u>

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

**AIRA Capital Public Company Limited and its subsidiaries**
**Cash flow statement**
**For the year ended 31 December 2015**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(Restated)		
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	(85,606,170)	118,701,542	45,268,273	52,194,754
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid for) operating activities:				
Depreciation	29,230,151	25,062,442	1,934,208	1,859,249
Amortisation of intangible assets	3,087,976	2,778,388	38,124	36,146
Amortisation of other assets	-	534,284	-	-
Interest and dividend income	(52,705,565)	(63,614,004)	(92,717,310)	(108,095,526)
Interest on margin loans income	(65,368,524)	(35,439,835)	-	-
Finance costs	98,805,906	109,564,171	3,059,089	5,981,971
Provision for long-term employee benefits	5,649,810	4,014,234	571,621	423,963
Share-based payment transactions	1,136,514	2,234,381	234,298	460,629
Gain on disposal of equipment	(1,891,873)	(50,509)	-	(492)
Allowance for impairment loss on asset held for sale	1,296,800	1,150,000	-	-
Loss (gain) on exchange rate	-	(181,000)	(660,929)	919,326
Gain on changing in fair value of investments	(898,742)	(4,417,537)	-	-
Gain on sales of investments in subsidiary	-	-	(5,538,500)	-
Share of loss (gain) from investment in associate	33,439,046	(129,707)	-	-
Bad debt and doubtful accounts	52,381,591	28,684,725	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	18,556,920	188,891,575	(47,811,126)	(46,219,980)
Decrease (increase) in operating assets				
Investments in trading securities	30,891,446	(81,964,577)	-	-
Receivables from Clearing House	386,770,165	(451,199,825)	-	-
Securities and derivatives business receivables	215,835,260	(145,333,189)	-	-
Factoring receivables	80,824,421	202,903,251	-	-
Loans receivable	48,990,614	(6,917,124)	-	-
Other receivables	(8,316,929)	(114,848)	-	-
Other current assets	(556,613)	(569,260)	(208,634)	467,869
Other non-current assets	(4,825,278)	(4,030,443)	-	(656,420)
Increase (decrease) in operating liabilities				
Payables to Clearing House	124,435,093	(380,602,690)	-	-
Securities and derivatives business payables	(296,991,596)	367,409,110	-	-
Retention from factoring	(1,087,587)	(5,474,018)	-	-
Other payables	(2,903,481)	(650,300)	(494,820)	720,174
Other current liabilities	(33,980,200)	(31,679,860)	(599,483)	8,429,552
Provision for long-term employee benefits	(2,710,012)	(3,990,000)	-	-
Other non-current liabilities	1,427,384	1,427,385	140,316	140,316
Cash flows from (used in) operating activities	556,359,607	(351,894,813)	(48,973,747)	(37,118,489)
Cash received from interest and dividend	119,092,185	98,036,381	11,266,974	5,115,642
Cash paid for interest expenses	(88,587,900)	(99,787,896)	-	-
Cash paid for corporate income tax	(45,403,352)	(18,829,926)	(106,249)	(50,665)
<b>Net cash flows from (used in) operating activities</b>	<b>541,460,540</b>	<b>(372,476,254)</b>	<b>(37,813,022)</b>	<b>(32,053,512)</b>

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



**AIRA Capital Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2015**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(Restated)		
<b>Cash flows from investing activities</b>				
Increase in short-term loan to subsidiaries	-	-	(187,335,655)	(100,482,725)
Cash paid for purchase of available-for-sale investments	(4,570,000)	(959,371)	-	-
Cash paid for short-term investment	(400,600,000)	-	(400,600,000)	-
Increase in bank deposits used as collateral	(4,400,000)	-	(4,400,000)	-
Cash received from sales of investments in subsidiary	22,724,500	-	22,724,500	-
Cash paid for acquisitions of equipment and intangible assets	(41,050,174)	(37,082,433)	(1,522,862)	(893,685)
Increase in investments in subsidiaries	-	-	(602,919,628)	(270,000,000)
Increase in investments in associate	-	(300,000,000)	-	(300,000,000)
Dividend received from subsidiaries	-	-	80,903,808	102,925,330
Cash received from disposal of equipment	2,085,607	65,646	-	500
<b>Net cash flows used in investing activities</b>	<b>(425,810,067)</b>	<b>(337,976,158)</b>	<b>(1,093,149,837)</b>	<b>(568,450,580)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institutions	(20,362,775)	(470,556,689)	-	-
Cash paid for finance lease	(303,024)	(277,772)	-	-
Subordinated debentures	(200,000,000)	-	-	-
Cash received from bill of exchange	1,369,901,069	4,037,515,743	297,844,261	663,445,162
Cash paid for bill of exchange	(2,290,000,000)	(3,840,000,000)	(450,000,000)	(620,000,000)
Proceeds from increase in capital	1,563,523,944	563,783,806	1,563,523,944	563,783,806
Proceeds from increase in share capital of subsidiaries				
from non-controlling interest	167,080,372	-	-	-
Proceeds from exercise warrants	11,202,293	8,523,400	11,202,293	8,523,400
Dividend paid	(41,224,579)	(46,721,267)	(41,224,579)	(46,721,267)
Dividend paid to non-controlling interest by subsidiary	(5,196,192)	(7,274,670)	-	-
<b>Net cash flows from financing activities</b>	<b>554,621,108</b>	<b>244,992,551</b>	<b>1,381,345,919</b>	<b>569,031,101</b>
Differences on transaction of financial statement	(843,753)	391,461	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>669,427,828</b>	<b>(465,068,400)</b>	<b>250,383,060</b>	<b>(31,472,991)</b>
Cash and cash equivalents at beginning of the year	264,612,211	729,680,611	19,983,585	51,456,576
<b>Cash and cash equivalents at end of the year</b>	<b>934,040,039</b>	<b>264,612,211</b>	<b>270,366,645</b>	<b>19,983,585</b>
	-	-	-	-
<b>Supplemental cash flow information</b>				
Non-cash items				
Purchase of equipment and intangible assets recorded				
as liabilities	999,318	5,820,505	598,425	482,201
Loss on re-measuring available-for-sale investments				
- net of income tax	23,319,252	792,057	-	-
Transfer of trading securities to available-for-sale				
securities (at cost)	-	86,230,021	-	-
Actuarial gain (loss) - net of income tax	(3,612,725)	1,725,007	(2,252,671)	-

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

## **Notes to consolidated financial statements**

### **AIRA Capital Public Company Limited and its subsidiaries**

#### **Notes to consolidated financial statements**

**For the year ended 31 December 2015**

#### **1. General information**

##### **1.1 General information of the Company**

AIRA Capital 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 7 July 2014. J R K Holding Company Limited, which was incorporated in Thailand, is the major shareholder. The Company is principally engaged in investment in other companies. The registered office of the Company is at 319 Chamchuri Square, 12th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok.

On 18 March 2015, the Company entered in to Memorandum of Understanding between the Company, Superrich International Exchange (1965) Company Limited and Mr. Piya Tantivachyanon, a mojour shareholder of Superrich International Exchange (1965) Company Limited for the cooperation on the foreign currency exchange business. However, there is no any movement after Memorandum of Understanding expired on 19 September 2015.

On 9 July 2015, the Company entered into a Memorandum of Understanding with SENA Development Public Company Limited and Sang Fah Construction and Engineering Company Limited for cooperation on the property business. Aspiration One Company Limited was subsequently incorporated on 25 September 2015, with AIRA Property Company Limited (“the subsidiary”) holding 60% of its shares, in order to comply with Memorandum of Understanding.

##### **1.2 General information of AIRA Securities Public Company Limited and its subsidiary**

a) AIRA Securities Public Company Limited operates its business in Thailand and undertakes securities business licenses as follows:

1. Securities brokerage
2. Securities trading
3. Investment advisory
4. Underwriting
5. Financial advisory

6. Securities borrowing and lending
  7. Derivatives brokerage
  8. Private fund management
- b) AIRA Advisory Company Limited is a subsidiary of AIRA Securities Public Company Limited, domiciled in Thailand, and is principally engaged in the provision of financial advisory services. The Office of the Securities and Exchange Commission has permitted this company to operate as a financial advisor from 8 December 2014 to 7 December 2019.

### **1.3 General information of AIRA Factoring Public Company Limited**

AIRA Factoring Public Company Limited is a public company incorporated and domiciled in Thailand and was listed on the Market for Alternative Investment (MAI) of Thailand on 25 August 2004. Its principal activity is engaged in receivable factoring.

### **1.4 General information of AIRA International Advisory (Singapore) Pte. Ltd.**

AIRA International Advisory (Singapore) Pte. Ltd. domiciled in Singapore and its principal activity is engaged in the financial services industry.

### **1.5 General information of AIRA Property Company Limited**

AIRA Property Company Limited domiciled in Thailand and its principal activity is engaged in property industry.

## **2. Basis of preparation**

- 2.1 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 dated 28 September 2011, issued under the Accounting Act B.E. 2543 and in conjunction with the Notifications of the Office of the Securities and Exchange Commission.

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.

### **2.2 Basis of consolidation**

- a) The consolidated financial statements include the financial statements of AIRA Capital Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	(Unit: Percent)	
			Percentage of shareholding	
			2015	2014
<u>Held by the Company</u>				
AIRA Securities Plc. and its subsidiary	Securities	Thailand	99.99	99.99
AIRA Factoring Plc.	Factoring	Thailand	71.55	74.02
AIRA International Advisory (Singapore) Pte. Ltd.	Financial services industry	Singapore	90.00	90.00
AIRA Property Co., Ltd. and its subsidiary	Property industry	Thailand	99.99	-
<u>Held by subsidiaries</u>				
AIRA Advisory Co., Ltd.	Financial advisory	Thailand	99.99	99.99
Aspiration One Co., Ltd.	Property industry	Thailand	60.00	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiaries companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Group and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries and associate under the cost method.

### **3. New financial reporting standards**

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

#### **(a) Financial reporting standards that became effective in the current year**

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

##### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period's transactions and restated the prior period's financial statements, presented as comparative information, as if the Company had always applied this accounting policy. The cumulative effect of changes in accounting policies is presented in Note 4 to the financial statements.

##### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the

ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

### **TFRS 11 Joint Arrangements**

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the financial statements since the Company and its subsidiaries already apply the equity method to account for the investment in a joint venture.

### **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

**(b) Financial reporting standard that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

**4. Cumulative effect of change in accounting policy due to the adoption of new financial reporting standard**

As described in Note 3 to the financial statements, during the current year, the Company and its subsidiaries have changed some of their accounting policies, as a result of the adoption of new and revised financial reporting standards. The cumulative effect of the change has been separately presented in the statements of changes in shareholders' equity.

The cumulative effect of the change in accounting policy due to the adoption of new and revised financial reporting standards and restatement of the financial statements comprises:

	(Unit: Thousand Baht)
	<u>Consolidated</u>
	2014
Cumulative effect of change in accounting policy relating to:	
Employee benefits	<u>2,156</u>
Total	<u><u>2,156</u></u>

The amounts of adjustment affecting the statement of comprehensive income are summarised below.

(Unit: Thousand Baht)  
For the year ended  
31 December 2014  

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Consolidated

**Statements of comprehensive income**

**Profit or loss:**

Increase in administrative expenses	2,156
Decrease in income tax expenses	(431)
Decrease in profit	(1,725)

**Other comprehensive income:**

Increase in actuarial gains	1,725
Increase in other comprehensive income	1,725

**Earnings per share (Baht):**

Decrease in basic earnings per share	(0.0005)
Decrease in diluted earnings per share	(0.0005)

**5. Significant accounting policies**

**5.1 Revenue and expense recognition**

a) Brokerage fees

Brokerage fees on securities and derivatives trading are recognised as income on the transaction dates.

b) Fees and services income

Fees are recognised as income on an accrual basis. Service income is recognised on the basis of percentage of completion, which is measured based on service performed to date as a percentage of total service to be performed. Revenue is recognised when it is probable that the amount will be collected.

Management fees of the subsidiary are calculated as a percentage of the net asset value of the funds managed by the subsidiary and recognised as income when services have been rendered.



c) Gain (loss) on investments

Gain (loss) on investments is recognised as income or expense on the transaction dates.

d) Interest and dividend on investments

Interest on investments is recognised as income on an accrual basis based on the effective interest rate. Dividends from investments are recognised when the right to receive the dividends is established.

e) Interest on margin loans

Interest is recognised as income on an accrual basis based on the effective interest rate. Except there is uncertainty as to the collectability of loans and interest, the subsidiary ceases accrual.

The following cases are considered as uncertainty of collectability of loans and interest.

- (1) Loans are not fully covered with collateral.
- (2) Installment loans with repayments scheduled no more than 3 months for each installment, which principal or interest is overdue more than 3 months.
- (3) Installment loans with repayments scheduled no less than 3 months for each installment, unless there is a clear evidence and high degree of certainty that full repayment is recovered.
- (4) Problem financial institution debtors.
- (5) Other receivables of which interest payment is overdue 3 months or more.

These conditions are based on the guidelines stipulated by the Office of the Securities and Exchange Commission.

f) Interest income from factoring

Interest income from factoring is recognised in the profit or loss using the effective interest rate method, over the period of debts being factored.

g) Expenses

Expenses are recognised on an accrual basis.

## **5.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand, all bank deposit accounts with an original maturity less than 3 months and not subject to withdrawal restrictions, promissory notes and term notes with an original maturity less than 3 months and exclude deposits used as collateral.

### **5.3 Recognition and amortisation of customers' deposits**

Cash collateral received from customers for trading in securities of cash balance accounts, credit balance accounts and placed as margin for derivatives trading are recorded as assets and liabilities of the subsidiary for the internal control purposes. As at the end of reporting period, the subsidiary excludes these amounts from both the assets and liabilities and presents only the assets which belong to the subsidiary.

### **5.4 Investments**

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investment in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in non-marketable equity securities, which the subsidiary classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- d) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- e) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

Loss on impairment (if any) of investments in debt securities expected to be held to maturities, other investments and investments in subsidiaries are included in profit or loss.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other component of owners' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

## **5.5 Receivables from Clearing House**

Receivables from Clearing House comprises the net receivable from Thailand Clearing House (TCH) for settlement of equity securities trading made through the Stock Exchange of Thailand, net receivables for TCH from derivatives trades, included cash collateral pledged with TCH for derivatives trades, and net receivable from foreign securities trade settlement with the overseas brokers.

## **5.6 Securities and derivatives business receivables and allowance for doubtful accounts**

Securities and derivatives business receivables are the net balances of securities business receivables and derivatives business receivables after deducting allowance for doubtful accounts.

In addition, securities business receivables include the net receivable balance of cash accounts, credit balance accounts, securities borrowings receivable, collateral receivables (which comprise cash placed as security with securities lenders) and other receivables such as overdue cash accounts and securities receivables which are the subject of legal proceedings, are undergoing restructuring or are being settled in installments.

The subsidiary has provided an allowance for doubtful debts based on a review of debtor's repayment capability, taking into consideration in recovery risk and value of collateral. An allowance will be set aside for doubtful debts that are not fully covered by collateral and/or debtors that cannot be recovered in full amount. Such debt classifications and provisions are in accordance with the following criteria:

a) Debt classified as bad debt is defined as follows:

- (1) Debts which the subsidiary has made effort to follow up, but could not collect the repayment. The subsidiary has written them off in accordance with tax law.
- (2) Debts which the subsidiary has forgiven them.

b) Doubtful debt is defined as the uncollateralised portion of the debt which meets the following criteria:

- (1) Debtors in general, problem financial institution loans, and other debtors which the collateral value is less than the debts.
- (2) Installment loans with repayments scheduled no more than 3 months for each installment, which the principal or interest is overdue more than 3 months.
- (3) Installment loans with repayments scheduled no less than 3 months for each installment, unless there is a clear evidence and high degree of certainty that the full payment is recovered.

c) Substandard debt is defined as the collateralised portion of loans which meet the criteria in b).

Loans classified as bad debt will be written off when identified. Full provision of the loan balance will be set aside for loans classified as doubtful. These conditions are complied with the guidelines stipulated by the Office of the Securities and Exchange Commission.

## **5.7 Factoring receivables and allowance for doubtful accounts**

Factoring receivables are stated at the amount net of allowance for doubtful accounts and discount on factoring in advance.

The allowance for doubtful accounts for factoring receivables is set at the higher of:

- (1) A percentage of net factoring receivables (i.e. factoring receivables less factoring payables) as follows:

Factoring receivables	%
Not yet due	0
Past due up to 3 months	0
Past due over 3 months but within 6 months	20
Past due over 6 months	100

- (2) 0.25% of total net factoring receivables

In addition, the subsidiary considers to set up additional allowance for doubtful accounts for each debtor based on collection experience and analysis of debt aging.

Allowance for doubtful accounts for loans receivable and other receivables is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Bad debts are written-off as incurred.

## **5.8 Loans receivable**

Loans receivable are stated at principal amount net of allowance for doubtful accounts.

## **5.9 Troubled debt restructuring**

In cases where the debt restructuring involves modifications of the terms, the fair value of the receivables after restructuring is based on the net present value of expected future cash flows, discounted by the interest rate under the modified terms which forms the basis for making collection from the debtor. Differences between the fair values of receivables as of the restructuring date and their previous book values is recorded in "Revaluation allowance for debt restructuring", and recognised as an expense in profit or loss in the statements of comprehensive income in the year in which the restructuring takes place. The subsidiary reviews such revaluation allowance based on the net present value of future cash flows over the remaining period to maturity, recognising adjustments to the allowance against impairment of loan receivable.

## **5.10 Equipment and depreciation**

Equipment are 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:

Building improvement	10 years
Office equipment	3 and 5 years
Furniture and fixtures	3, 5 and 10 years
Motor vehicles	4 and 5 years

Depreciation is included in determining income.

No depreciation is provided on work under installation.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit and loss when the asset is derecognised.

## **5.11 Intangible assets and amortisation**

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. 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 a systematic 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.

A summary of the intangible assets with finite useful lives is as follows:

Computer software	3, 5 and 10 years
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Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

### **5.12 Business combination**

The cost of an acquisition is measured at fair value which is the amount of cash or cash equivalents, or the fair market value of any other consideration given as determined at the date of acquisition.

The Company accounted for acquisition-related costs such as professional fee and other consulting fees, as expenses in the period in which the costs are incurred and the services are received.

At the acquisition date, the Company measures components of non-controlling interests in the recognises at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

### **5.13 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **5.14 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals 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.

#### **5.15 Long-term leases**

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### **5.16 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements of each entity are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **5.17 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

## **5.18 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, subsidiaries and its employees have jointly established provident funds. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

#### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary and the management of the Company and its subsidiaries based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

## **5.19 Payables to Clearing House**

Payables to Clearing House comprises the net payable to Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand, net payable for derivatives trades, and net payable to foreign securities trade settlement with overseas brokers.



## **5.20 Securities and derivatives business payables**

Securities and derivatives business payables are the obligations of the subsidiary in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the subsidiary as collateral for securities lending.

## **5.21 Provisions**

Provisions are recognised when the Company and its subsidiaries have 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.

## **5.22 Share-Based Payment**

The Company and its subsidiaries recognises share-based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in “capital reserve for share-based payment transactions” in owners' equity.

Estimating fair value for share-based payment transactions requires management to exercise judgement, and to apply assumptions, including as to the expected life of the share options, share price volatility and dividend yield.

## **5.23 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 and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 and its subsidiaries review and reduce 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 and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **5.24 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 and its subsidiaries apply 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 and its subsidiaries measure 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 observable 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 and its subsidiaries determine 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.

## **6. Significant accounting judgments and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

### **Recognition and derecognition of assets and liabilities**

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

### **Impairment of investments**

The Company and its subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

### **Allowance for doubtful accounts of securities and derivatives business receivables**

Allowance for doubtful accounts of securities and derivatives business receivables are intended to adjust the values of receivables for probable credit losses. In determining an allowance for doubtful accounts of securities and derivatives business receivables, the management needs to make judgment and estimates based upon, among other things, past collection history, the value of the securities collateral, aging profile of outstanding debts and the prevailing economic condition.

### **Allowance for doubtful accounts**

In determining an allowance for doubtful accounts of factoring receivables, loans receivable and other receivables, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### **Equipment/Depreciation**

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of the Company and its subsidiaries' equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Goodwill and intangible assets**

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### **Post employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### **Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### **Deferred tax assets**

Deferred tax assets are recognised 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 utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

## Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the result of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

## 7. Related party transactions

During the years, the Company and its subsidiaries 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.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2015	2014	2015	2014	
<b>Transactions with subsidiaries</b>					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	80,903,808	102,925,330	Normal rate declared to ordinary investors
Interest income	-	-	4,210,275	473,222	Market rate
Purchase of debt securities	-	-	941,853,953	1,847,094,747	Market rate
Other expenses	-	-	92,808	39,211	Agreed upon basis
<b>Transactions with related parties</b>					
Brokerage fees income	117,935	64,601	-	-	Normal rate charged to ordinary customers
Fees and services income	2,868,753	2,897,948	-	-	Price stated in contract
Premises expenses	5,053,320	464,934	-	-	Price stated in contract
<b>Transactions with the directors and shareholders of the Company's group</b>					
Sales of debt securities	3,055,425,618	3,374,379,530	-	-	Market rate
Gain on investments	238,818	239,967	-	-	Market rate
Brokerage fees income	36,191,976	43,817,679	-	-	Normal rate charged to ordinary customers
Interest expenses	27,130,821	36,890,882	3,059,090	5,981,971	Market rate
Premises expenses	472,500	-	-	-	Price stated in contract

The balances of accounts as at 31 December 2015 and 2014 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Subsidiaries</b>				
(Eliminated from the consolidated financial statement)				
Short-term loans	-	-	287,559,982	99,563,399
Interest receivable	-	-	542,016	147,460
Other payables	-	-	3,000	3,000
<b>Related parties</b>				
Rental deposits	1,347,568	200,000	-	-
<b>Directors and shareholders of the</b>				
<b>Company's group</b>				
Securities business receivables	44,280,045	154,610,412	-	-
Cash collateral	112,311,105	88,785,478	-	-
Rental deposits	135,000	-	-	-
Securities business payables	17,547,343	58,487,535	-	-
Subordinated debentures	180,000,000	360,000,000	-	-
Bill of exchange	637,238,007	1,543,722,056	-	149,096,649
Accrued interest	2,268,493	6,041,096	-	-

### Loans to related parties

As at 31 December 2015 and 2014, the balance of loans between the Company and those related companies and the movement are as follows:

(Unit: Baht)

	Related by	Separate financial statements			
		Balance as at 31 December 2014	Increase	Decrease	Balance as at 31 December 2015
Short-term loans					
AIRA Securities Public					
Company Limited	Subsidiary	79,831,879	944,855,503	(775,000,000)	249,687,382
AIRA International Advisory					
(Singapore) Pte. Ltd.	Subsidiary	19,731,520	38,131,733	(20,371,200)	37,872,600
		<u>99,563,399</u>	<u>982,987,236</u>	<u>(795,371,200)</u>	<u>287,559,982</u>

Short-term loans to related party of Baht 250 million are in the form of an unsecured loan, carrying interest at rate of 2.2% to 2.5% per annum and mature during 8 January 2016 to 8 February 2016.

Short-term loans to related party of Baht 38 million or SGD 1.5 million are in the form of an unsecured loan, carrying interest at rate of 4% per annum and mature during 10 February 2016 to 16 June 2016.

### Directors and management's benefits

During the year ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term benefits	103,243	103,704	23,961	25,976
Post-employment benefits	2,899	2,404	572	424
Share-based payment benefits	556	1,094	229	451
Total	106,698	107,202	24,762	26,851

## 8. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash, deposits at financial institutions, notes receivables and bonds with maturity less than three months	2,370,857,122	1,968,236,938	270,366,645	19,983,585
Less: Deposits, notes receivables and bonds of customers' account of subsidiary	(1,436,817,083)	(1,703,624,727)	-	-
Total cash and cash equivalents	934,040,039	264,612,211	270,366,645	19,983,585

## 9. Investments

### 9.1 Cost and fair value

(Unit: Baht)

	Consolidated financial statements			
	2015		2014	
	Cost	Fair value	Cost	Fair value
<b>Trading securities</b>				
Listed securities	43,864,879	43,593,900	74,756,325	73,586,604
Less: Changes in fair value of securities	(270,979)	-	(1,169,721)	-
Total trading securities - net	43,593,900	43,593,900	73,586,604	73,586,604
<b>Available-for-sale securities</b>				
Listed securities	173,809,313	120,527,770	169,239,313	145,106,835
Less: Changes in fair value of securities	(53,281,543)	-	(24,132,478)	-
Total available-for-sale securities - net	120,527,770	120,527,770	145,106,835	145,106,835
Fixed deposit with maturity over 3 months but less than 1 year	400,600,000	-	-	-
Total short-term investments	564,721,670	164,121,670	218,693,439	218,693,439

(Unit: Baht)

	Consolidated financial statements			
	2015		2014	
	Cost	Fair value	Cost	Fair value
<b>Other long-term investment</b>				
<b>Other investment</b>				
Equity securities	3,000,000		3,000,000	
Total other long-term investment	3,000,000		3,000,000	
Total investments - net	567,721,670		221,693,439	

(Unit: Baht)

	Separate financial statements	
	2015	2014
Fixed deposit with maturity over 3 months but less than 1 year	400,600,000	-
Total short-term investment	400,600,000	-

9.2 Unrealised loss on re-measuring available-for-sale investment recognised in owners' equity

(Unit: Baht)

	Consolidated financial statements	
	2015	2014
Balance - beginning of the year	(20,595,250)	(19,803,193)
Changes during the year (net of income tax)		
- revaluation	(23,319,252)	(792,057)
Balance - end of the year	(43,914,502)	(20,595,250)

10. Receivables from Clearing House

(Unit: Baht)

	Consolidated financial statements	
	2015	2014
Receivables from Clearing House	104,318,801	502,900,385
Receivables from overseas securities company	165,410,542	112,340,907
Less: Receivables from Clearing House for customers' account of subsidiary	(177,191,720)	(135,933,504)
Total receivables from Clearing House	92,537,623	479,307,788



## 11. Securities and derivatives business receivables

(Unit: Baht)

	Consolidated financial statements	
	2015	2014
<b>Securities business receivables</b>		
Cash accounts	213,516,796	519,246,527
Credit balance accounts	951,193,823	860,475,328
Total	1,164,710,619	1,379,721,855
Add: Accrued interest receivables	5,209,810	4,480,652
Total securities business receivables	1,169,920,429	1,384,202,507
<b>Derivatives business receivables</b>		
Derivatives business receivables	-	824,024
Less: Allowance for doubtful accounts	-	(824,024)
Total derivatives business receivables	-	-
Total securities and derivatives business receivables	1,169,920,429	1,384,202,507

11.1 The subsidiary has classified securities business receivables in accordance with the Notification of the Office of the Securities and Exchange Commission governing accounting for doubtful debts of securities companies. As at 31 December 2015 and 2014, securities business receivables are classified as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	2015			2014		
	Securities business receivables	Allowance for doubtful accounts set up by the subsidiary	Net securities business receivables after allowance for doubtful accounts	Securities business receivables	Allowance for doubtful accounts set up by the subsidiary	Net securities business receivables after allowance for doubtful accounts
Normal debts	1,170	-	1,170	1,384	-	1,384
Doubtful debts	-	-	-	1	(1)	-
Total	1,170	-	1,170	1,385	(1)	1,384

## 11.2 Allowance for doubtful accounts

(Unit: Baht)

	Consolidated financial statements	
	2015	2014
Balance at beginning of the year	824,024	-
Add: Allowance for doubtful accounts during the year (Reversal)	(824,024)	824,024
Balance at end of the year	-	824,024

## 12. Factoring receivables

(Unit: Baht)		
Consolidated financial statements		
	2015	2014
Factoring receivables	2,815,342,438	2,918,711,707
Accrued interest income from factoring	6,054,232	7,110,609
Total	2,821,396,670	2,925,822,316
Less: Factoring payables	(416,574,952)	(434,582,604)
Unearned interest income	(13,053,599)	(14,601,772)
Total	2,391,768,119	2,476,637,940
Less: Allowance for doubtful accounts	(42,594,933)	(57,311,198)
Factoring receivables - net	2,349,173,186	2,419,326,742

The balances of factoring receivables as at 31 December 2015 and 2014, aged on the basis of due dates, are summarised below.

(Unit: Baht)		
Consolidated financial statements		
Age of factoring receivables	2015	2014
Not yet due	2,667,213,273	2,773,063,244
Past due		
Up to 3 months	66,731,773	51,497,979
3 - 6 months	792,219	1,706,385
Over 6 months	80,605,173	92,444,099
Total factoring receivables	2,815,342,438	2,918,711,707

As at 31 December 2015, factoring receivables which were overdue for over 6 months presented amounting to Baht 81 million (2014: Baht 92 million) before setting off the amount repayable to the transferor upon settlement of the factored debts amounting to Baht 23 million (2014: Baht 29 million). The subsidiary has provided a full amount of allowance for doubtful accounts for such net receivables.

### 13. Loans receivable

(Unit: Thousand Baht)

	Current portion of loans receivable		Loans receivable		Total	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Loans receivable	12,369	50,816	53,672	64,215	66,041	115,031
Less: Allowance for doubtful accounts	(6,948)	-	(53,672)	(115)	(60,620)	(115)
Loans receivable - net	<u>5,421</u>	<u>50,816</u>	<u>-</u>	<u>64,100</u>	<u>5,421</u>	<u>114,916</u>

The subsidiary has restructured factoring receivables by means of modification of terms. The balance before restructuring amounted to Baht 73 million and the repayment period was about 7 years. However, this restructuring by modification of terms does not result in any loss. During the year 2015, the subsidiary received interest payments totaling Baht 0.11 million (2014: the subsidiary received principal and interest payments totaling Baht 3 million and Baht 4 million, respectively).

As at 31 December 2015 and 2014, the loan receivable balance amounted to Baht 61 million.

### 14. Other receivables

The balances as at 31 December 2015 and 2014 consist of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accrued fee income	11,499,768	17,179,995	-	-
Employee receivables	9,837,405	-	-	-
Others	1,595,627	1,698,999	696,311	147,460
Total	<u>22,932,800</u>	<u>18,878,994</u>	<u>696,311</u>	<u>147,460</u>

## 15. Investment in associate

### 15.1 Details of associate:

#### AIRA & AIFUL Public Company Limited

On 11 November 2014, a meeting of the Board of Directors of the Company approved to enter into the Joint Venture Agreement with AIFUL CORPORATION, which is a company listed on Tokyo Stock Exchange in Japan, to establish a new company under the name AIRA & AIFUL Public Company Limited. The Company has a 30% shareholding or Baht 300 million in such company, which has a registered share capital comprised of 1,000 million shares at Baht 1 per share, totaling Baht 1,000 million.

AIRA & AIFUL Public Company Limited registered with the Ministry of Commerce on 24 December 2014.

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2015	2014	2015	2014	2015	2014
			(%)	(%)				
AIRA & AIFUL Public Company Limited	Consumer finance	Thai	30	30	300,000	300,000	266,691	300,130

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements						
			Shareholding percentage		Cost		Allowance for impairment of investment	Carrying amounts based on cost method - net	
			2015	2014	2015	2014	2015	2014	2015
			(%)	(%)					
AIRA & AIFUL Public Company Limited	Consumer finance	Thai	30	30	300,000	300,000	-	-	300,000

### 15.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of gain (loss) from investment in associate company in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)						
Company's name	Consolidated financial statements				Separate financial statements	
	Share of gain (loss) from investment in associate during the year		Share of other comprehensive income from investment in associate during the year		Dividend received during the year	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	AIRA & AIFUL Public Company Limited	(33,439)	130	-	-	-

### 15.3 Summarised financial information about material associate

#### Summarised information about financial position

(Unit: Million Baht)		
AIRA & AIFUL Public Company Limited		
	<u>2015</u>	<u>2014</u>
Current assets	876	-
Non-current assets	83	1,001
Current liabilities	(69)	-
Non-current liabilities	(1)	(1)
<b>Net assets</b>	<b>889</b>	<b>1,000</b>
Shareholding percentage (%)	30%	30%
<b>Share of net assets</b>	<b>267</b>	<b>300</b>
Elimination entries	-	-
Goodwill	-	-
<b>Carrying amount of associate based on equity method</b>	<b>267</b>	<b>300</b>

#### Summarised information about comprehensive income

(Unit: Million Baht)		
For the year ended 31 December		
AIRA & AIFUL Public Company Limited		
	<u>2015</u>	<u>2014</u>
Revenue	26.5	0.7
Profit (loss)	(111.5)	0.4
Other comprehensive income	-	-
Total comprehensive income	(111.5)	0.4

## 16. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Million Baht)

Company's name	Paid-up		Shareholding		Cost		Dividend received	
	share capital		percentage				by the Company for the year	
	2015	2014	2015	2014	2015	2014	2015	2014
			(%)	(%)				
AIRA Securities Plc.	1,100	870	99.99	99.99	1,131	901	66	82
AIRA Factoring Plc.	1,600	200	71.55	74.02	584	428	15	21
AIRA International Advisory (Singapore) Pte. Ltd.	12	12	90.00	90.00	11	11	-	-
AIRA Property Co., Ltd.	200	-	99.99	-	200	-	-	-
Total					1,926	1,340	81	103

During the year, the Company recognises share-based payment transactions when services from its subsidiaries' employees are rendered. The Company recorded investment in subsidiaries amounting to Baht 0.9 million (2014: Baht 1.8 million).

### 16.1 AIRA Securities Public Company Limited

On 14 May 2015, a meeting of the Board of Directors of the Company passed the resolution to approve investment of Baht 70 million in the additional ordinary shares of AIRA Securities Public Company Limited (a subsidiary), consisting of 70 million ordinary shares of Baht 1 each. Its percentage shareholding in the subsidiary was unchanged. The Company made payment for the shares on 22 May 2015.

On 29 June 2015, a meeting of the Board of Directors of the Company passed a resolution to approve investment of Baht 60 million in the additional ordinary shares of AIRA Securities Public Company Limited (a subsidiary), consisting of 60 million ordinary shares of Baht 1 each. Its percentage shareholding in the subsidiary was unchanged. The Company made payment for the shares on 23 July 2015.

On 11 August 2015, a meeting of the Board of Directors of the Company passed a resolution to approve investment of Baht 100 million in the additional ordinary shares of AIRA Securities Public Company Limited (a subsidiary), consisting of 100 million ordinary shares of Baht 1 each. Its percentage shareholding in the subsidiary was unchanged. The Company made payment for the shares on 27 August 2015.

## **16.2 AIRA Factoring Public Company Limited**

During the year, the Company sold 4,800,000 ordinary shares of AIRA Factoring Public Company Limited (a subsidiary) for a total of Baht 23 million. The Company has recognised the difference of Baht 15 million between the selling price and the net book value of the investment in AIRA Factoring Public Company Limited under the caption of "Capital surplus from change in shareholding in subsidiary" in the consolidated statement of changes in shareholders' equity.

On 10 September 2015, a meeting of the Board of Investment of the Company passed a resolution to approve investment of Baht 173 million in the additional ordinary shares of AIRA Factoring Public Company Limited (a subsidiary), consisting of 576 million ordinary shares of Baht 0.30 each. The Company made payment for the shares on 22 September 2015.

## **16.3 AIRA Property Company Limited**

On 29 June 2015, a meeting of the Board of Directors of the Company passed a resolution to approve the establishment of a new company under the name AIRA Property Company Limited (a subsidiary). A subsidiary has a registered share capital comprised of 20 million shares of Baht 10 per share, totaling Baht 200 million.

The Company has a 99.99% shareholding in this company.

AIRA Property Company Limited registered with the Ministry of Commerce on 23 July 2015.

AIRA Property Company Limited ("the subsidiary") invested in a 60% interest in Aspiration One Company Limited's to operate a property business.

## 17. Equipment

(Unit: Baht)

Consolidated financial statements						
	Building improvement	Office equipment	Furniture and fixtures	Motor vehicles	Work under installation	Total
<b>Cost</b>						
1 January 2014	41,384,191	55,345,327	33,875,218	33,630,967	263,557	164,499,260
Additions	6,009,721	6,906,045	1,013,312	14,929,500	1,906,340	30,764,918
Disposals	-	(5,213,702)	(2,647,250)	-	-	(7,860,952)
Transfer in (out)	1,188,557	-	-	-	(1,188,557)	-
31 December 2014	48,582,469	57,037,670	32,241,280	48,560,467	981,340	187,403,226
Additions	3,739,751	8,588,545	1,694,371	10,659,000	3,851,225	28,532,892
Disposals	-	(3,427,426)	(823,865)	(8,121,567)	-	(12,372,858)
Transfers in (out)	2,436,540	669,820	202,256	-	(3,308,616)	-
31 December 2015	54,758,760	62,868,609	33,314,042	51,097,900	1,523,949	203,563,260
<b>Accumulated depreciation</b>						
1 January 2014	3,524,026	37,329,839	12,465,209	19,669,517	-	72,988,591
Depreciation for the year	5,327,288	9,243,912	4,540,206	5,951,036	-	25,062,442
Depreciation on disposals	-	(5,198,568)	(2,647,246)	-	-	(7,845,814)
31 December 2014	8,851,314	41,375,183	14,358,169	25,620,553	-	90,205,219
Depreciation for the year	5,979,936	9,737,518	4,728,712	8,783,985	-	29,230,151
Depreciation on disposals	-	(3,420,972)	(800,555)	(7,957,597)	-	(12,179,124)
31 December 2015	14,831,250	47,691,729	18,286,326	26,446,941	-	107,256,246
<b>Net book value</b>						
31 December 2014	39,731,155	15,662,487	17,883,111	22,939,914	981,340	97,198,007
31 December 2015	39,927,510	15,176,880	15,027,716	24,650,959	1,523,949	96,307,014
<b>Depreciation included in profit or loss for the year</b>						
2014						25,062,442
2015						29,230,151



(Unit: Baht)

	Separate financial statements			Total
	Office equipment	Furniture and fixtures	Work under installation	
<b>Cost</b>				
1 January 2014	2,696,970	9,330,938	-	12,027,908
Additions	489,901	125,338	-	615,239
Write off	(102,050)	(2,635,955)	-	(2,738,005)
31 December 2014	3,084,821	6,820,321	-	9,905,142
Additions	846,301	264,600	493,330	1,604,231
Transfer in (out)	-	202,256	(202,256)	-
31 December 2015	3,931,122	7,287,177	291,074	11,509,373
<b>Accumulated depreciation</b>				
1 January 2014	1,745,739	3,508,843	-	5,254,582
Depreciation for write off	(102,044)	(2,635,953)	-	(2,737,997)
Depreciation for the year	521,532	1,337,717	-	1,859,249
31 December 2014	2,165,227	2,210,607	-	4,375,834
Depreciation for the year	570,094	1,364,114	-	1,934,208
31 December 2015	2,735,321	3,574,721	-	6,310,042
<b>Net book value</b>				
31 December 2014	919,594	4,609,714	-	5,529,308
31 December 2015	1,195,801	3,712,456	291,074	5,199,331
<b>Depreciation included in profit or loss for the year</b>				
2014				1,859,249
2015				1,934,208

As at 31 December 2015, certain equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 46 million (2014: Baht 41 million) (The Company only: Baht 2 million, 2014: Baht 0.5 million).

## 18. Intangible assets

(Unit: Baht)

Consolidated financial statements						
	Computer software	Securities business license fee	Securities member fee	TFEX member fee	Bond member fee	Total
<b>Cost</b>						
1 January 2014	23,161,422	129,500,000	50,000,000	15,000,000	1,200,000	218,861,422
Additions	6,013,156	-	-	-	-	6,013,156
Transfer out	(42,556)	-	-	-	-	(42,556)
31 December 2014	29,132,022	129,500,000	50,000,000	15,000,000	1,200,000	224,832,022
Additions	7,696,095	-	-	-	-	7,696,095
31 December 2015	36,828,117	129,500,000	50,000,000	15,000,000	1,200,000	232,528,117
<b>Accumulated amortisation</b>						
1 January 2014	10,158,430	77,956,823	27,369,863	-	-	115,485,116
Amortisation for the year	2,778,388	-	-	-	-	2,778,388
31 December 2014	12,936,818	77,956,823	27,369,863	-	-	118,263,504
Amortisation for the year	3,087,976	-	-	-	-	3,087,976
31 December 2015	16,024,794	77,956,823	27,369,863	-	-	121,351,480
<b>Net book value</b>						
31 December 2014	16,195,204	51,543,177	22,630,137	15,000,000	1,200,000	106,568,518
31 December 2015	20,803,323	51,543,177	22,630,137	15,000,000	1,200,000	111,176,637
<b>Amortisation included in profit or loss for the year</b>						
2014						2,778,388
2015						3,087,976

(Unit: Baht)

### Separate financial statements Computer software

<b>Cost</b>	
1 January 2014	165,830
Additions	34,090
31 December 2014	199,920
Additions	34,855
31 December 2015	234,775

	(Unit: Baht)
	Separate
	financial statements
	<u>Computer software</u>
<b>Accumulated amortisation</b>	
1 January 2014	94,505
Amortisation for the year	36,146
31 December 2014	130,651
Amortisation for the year	38,124
31 December 2015	168,775
<b>Net book value</b>	
31 December 2014	69,269
31 December 2015	66,000
<b>Amortisation included in profit or loss for the year</b>	
2014	36,146
2015	38,124

As at 31 December 2015, certain computer software items of subsidiaries have been fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 9 million (2014: Baht 8 million) (The Company only: Baht 0.1 million, 2014: Nil).

## 19. Assets held for sale

Details of assets held for sale are as follows:

	(Unit: Baht)	
	Consolidated financial statements	
	31 December 2015	31 December 2014
Machinery	12,300,000	12,300,000
Less: Allowance for impairment loss		
on asset held per sale	(2,446,800)	(1,150,000)
Machinery - net	9,853,200	11,150,000

A factoring receivable made partial settlement by transferring machinery to the subsidiary. The subsidiary is in the process of selling these assets.

## 20. Short-term loans from financial institutions

(Unit: Baht)

	Interest rate (% per annum)	Consolidated financial statements	
		2015	2014
Overdraft	MOR	637,225	-
Promissory notes	2.90 - 5.30	1,229,000,000	1,250,000,000
Total short-term loans from financial institutions		<u>1,229,637,225</u>	<u>1,250,000,000</u>

As at 31 December 2015, the subsidiaries had credit facilities for bank overdrafts and short-term loans from financial institutions. Under these credit facilities, the subsidiaries have 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 2015, the subsidiaries had unutilised credit facilities totalling Baht 1,030 million (2014: Baht 1,290 million).

## 21. Payables to Clearing House

(Unit: Baht)

	Consolidated financial statements	
	2015	2014
Payables to Clearing House	123,732,788	-
Payables to overseas securities company	2,556,661	1,854,356
Total payables to Clearing House	<u>126,289,449</u>	<u>1,854,356</u>

## 22. Securities and derivatives business payables

(Unit: Baht)

	Consolidated financial statements	
	2015	2014
<b>Securities business payables</b>		
Cash accounts	195,533,711	492,525,307
<b>Derivatives business payables</b>		
Derivatives business payables	-	-
Total securities and derivatives business payables	<u>195,533,711</u>	<u>492,525,307</u>

## 23. Other payables

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Other payables - related parties	-	-	3,000	3,000
Other payables - non related parties	6,065,459	8,230,815	923,285	1,301,881
Total	6,065,459	8,230,815	926,285	1,304,881

## 24. Subordinated debentures

(Unit: Baht)

Issue date	Number of debentures (shares)	Interest rate per annum	Age	Maturity date	Consolidated financial statements	
					2015	2014
1 August 2012	200,000	Year 1 - 3 Fixed rate 5.0%	3 years	1 August 2015	-	200,000,000
1 April 2013	200,000	Year 1 - 3 Fixed rate 5.0%	3 years	1 April 2016	200,000,000	200,000,000
Total					200,000,000	400,000,000

These debentures are unsecured debentures.

On 15 March 2013, the meeting of the Management Committee of AIRA Securities Public Company Limited passed a resolution approving the issue and offering of Baht 200 million of subordinated, unsecured debentures carrying interest at rate 5.0% per annum on 1 April 2013 with a term of 3 years. These debentures mature on 1 April 2016.

As at 31 December 2015, the balance of the above subordinated debentures of the subsidiary included related parties of Baht 180 million (2014: Baht 360 million).

## 25. Bill of exchange - related parties

(Unit: Baht)

	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
Bill of exchange - related parties	2.75% - 3.55%	640,000,000	1,550,000,000	-	150,000,000
Less: Prepaid interest expenses		(2,761,993)	(6,277,944)	-	(903,351)
Total bill of exchange					
- related parties		637,238,007	1,543,722,056	-	149,096,649

## 26. Other current liabilities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accrued expenses	9,192,994	20,837,217	125,500	105,000
Marketing incentive fees payables	7,356,989	20,694,834	-	-
Deposits and cheque in transit awaiting to transfer	19,640,583	24,693,479	1,525,729	1,175,292
Other current liabilities	17,257,214	30,219,348	7,029,626	8,000,046
Total	53,447,780	96,444,878	8,680,855	9,280,338

## 27. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Defined benefit obligation at beginning of year	15,160,767	17,292,792	1,037,925	613,962
Included in profit or loss:				
Current service cost	4,153,295	3,335,188	481,130	360,741
Interest cost	947,065	679,046	90,491	63,222
Past service costs and gains or losses on settlement	549,450	-	-	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	930,992	-	606,573	-
Financial assumptions changes	181,954	(1,544,858)	59,502	-
Experience adjustments	2,833,494	(611,401)	1,586,596	-
Benefit paid during the year	(2,710,012)	(3,990,000)	-	-
Defined benefit obligation at end of year	22,047,005	15,160,767	3,862,217	1,037,925

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current service cost	4,153,295	3,335,188	481,130	360,741
Interest cost	947,065	679,046	90,491	63,222
Actuarial loss (gain) recognised during the year	549,450	-	-	-
Total expense recognised in profit or loss	5,649,810	4,014,234	571,621	423,963

The subsidiaries expect to pay Baht 0.2 million of long-term employee benefits during the next year (2014: Baht 2.2 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 3 - 13 years (Separate financial statements: 3 years) (2014: 13 - 23 years, separate financial statements: 23 years).

Principal actuarial assumptions at the valuation date were as follows:

(Unit: % per annum)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate	2.75 - 3.5	3.5 - 3.9	2.75	3.9
Future salary increase rate	3.0 - 7.0	3.0 - 8.0	5.0	5.0
Staff turnover rate (depending on age)	20.0 - 25.0	26.7 - 36.2	20.0	26.7

Sensitivity analysis for significant assumptions that effect to the long-term employee benefit obligation as at 31 December 2015 are summarised below:

(Unit: Baht)

	Consolidated financial statements			
	Discount rate		Salary increase rate	
	Increase	Decrease	Increase	Decrease
	0.50%	0.50%	1.00%	1.00%
Impact on the long-term employee benefit obligation	(1,298,818)	632,860	1,880,339	(2,320,887)

(Unit: Baht)

	Separate financial statements			
	Discount rate		Salary increase rate	
	Increase	Decrease	Increase	Decrease
	0.50%	0.50%	1.00%	1.00%
Impact on the long-term employee benefit obligation	(61,271)	62,701	159,772	(154,349)

## **28. Share capital**

On 30 June 2014, the warrant holders exercised 17,510,000 warrants to purchase ordinary shares at an exercise price of Baht 0.25 per share, totaling Baht 4,377,500. In June 2014, the Company received full payment for the shares and on 26 to 27 and 30 June 2014, the Company made a rights offering of 124,668,200 shares to the existing shareholders at a price of Baht 0.75 per share, totaling Baht 93,501,150. In June 2014, the Company received full payment for the shares.

On 26 to 27 and 30 June 2014, the Company made an initial public offering of 633,932,200 shares of Baht 0.75 each, totaling Baht 475,449,150. On 3 July 2014, the Company received all payment for the initial public offering.

The Company registered the change in its paid-up capital from Baht 779,182,590 (3,116,730,360 ordinary shares of Baht 0.25 each) to Baht 973,210,190 (3,892,840,760 ordinary shares of Baht 0.25 each) with the Ministry of Commerce on 3 July 2014.

On 30 September 2014, the warrant holders exercised 754,500 warrants to purchase ordinary shares at an exercise price of Baht 0.25 per share, totaling Baht 188,625. In September 2014, the Company received full payment for the shares. As a result, the Company registered the increase in its share capital with the Ministry of Commerce on 10 October 2014.

On 31 December 2014, the warrant holders exercised 15,829,100 warrants to purchase ordinary shares at an exercise price of Baht 0.25 per share, totaling Baht 3,957,275. In December 2014, the Company received full payment for the shares. As a result, the Company registered the increase in its share capital with the Ministry of Commerce on 8 January 2015.

On 19 June 2015, the Extraordinary General Meeting of the Company's shareholders approved the increase of the Company's registered share capital by Baht 790,000,000, consisting of 3,160,000,000 ordinary shares with a par value of Baht 0.25 per share, from the existing registered capital of Baht 1,000,000,000 (4,000,000,000 ordinary shares of Baht 0.25 each) to a new registered capital of Baht 1,790,000,000 (7,160,000,000 ordinary shares of Baht 0.25 each), with the new ordinary shares to be allocated as follows:



1) Rights offering

Not more than 1,563,773,944 new ordinary shares are to be offered to the Company's existing shareholders at a ratio of 2 new shares for every 5 existing shares, at an offering price of Baht 1 per share.

2) Warrants to purchase ordinary shares of the Company No. 1 ("AIRA-W1")

Not more than 781,886,972 new ordinary shares are to be reserved to support the exercise of AIRA-W1, which are registered and transferable warrants, as discussed in Note 29.2 to the financial statements.

3) Warrants to purchase ordinary shares of the Company No. 1 ("AIRA-W2")

Not more than 781,886,972 new ordinary shares are to be reserved to support the exercise of AIRA-W2, which are registered and transferable warrants as discussed in Note 29.3 to the financial statements.

4) Approximately 32,452,112 additional ordinary shares are to be allocated to support the adjustment of the rights of the ESOP warrants.

The Company already received the payment for the shares and registered the change in its paid-up capital to Baht 1,370,442,888 (5,481,771,553 ordinary shares of Baht 0.25 each) with the Ministry of Commerce on 23 July 2015 and the additional shares of the Company were traded in the Market for Alternative Investment (MAI) from 28 July 2015.

On 30 September 2015, the warrant holders exercised 11,238,500 warrants to purchase ordinary shares at an exercise price of Baht 0.25 per share, totaling Baht 3,664,840. In September 2015, the Company received full payment for the shares. As a result, the Company registered the increase in its share capital with the Ministry of Commerce on 12 October 2015.

On 30 October 2015 the holder of 329,500 AIRA-W1 warrants exercised options to purchase 329,500 ordinary shares at an exercise price of Baht 2.00 each. The Company received payment of the additional share capital amounting to Baht 659,000 in October 2015. The holder of 100 AIRA-W2 warrants exercised options to purchase 100 ordinary shares at an exercise price of Baht 3.50 each. The Company received payment of the additional share capital amounting to Baht 350 in October 2015, resulting in an increase in the Company's paid-up share capital from Baht 1,374,107,728 to Baht 1,374,190,128. The Company registered the increase in paid-up share capital with the Ministry of Commerce on 6 November 2015 and the additional shares of the Company were traded in the Market for Alternative Investment (MAI) from 11 November 2015.

On 30 December 2015, the warrant holders exercised 14,519,600 warrants to purchase ordinary shares at an exercise price of Baht 0.25 per share, totaling Baht 4,734,791. In December 2015, the Company received full payment for the shares. As a result, the Company registered the increase in its share capital with the Ministry of Commerce on 7 January 2016 and the additional shares of the Company were traded in the Market for Alternative Investment (MAI) from 13 January 2016.

#### Reconciliation of number

	Consolidated and Separate financial statements			
	2015	2015	2014	2014
	Number of share	(Baht)	Number of share	(Baht)
<u>Registered share capital</u>				
At beginning of year	4,000,000,000	1,000,000,000	4,000,000,000	1,000,000,000
Increase from approval of the Extra General Meeting of the Company's shareholders on 19 June 2015	3,160,000,000	790,000,000	-	-
At end of year	<u>7,160,000,000</u>	<u>1,790,000,000</u>	<u>4,000,000,000</u>	<u>1,000,000,000</u>
<u>Issued and paid-up share capital</u>				
At beginning of year	3,893,595,260	973,398,815	3,116,730,360	779,182,590
Increase from increasing share capital	1,563,773,944	390,943,486	758,600,400	189,650,100
Increase from exercise of warrants	39,391,309	9,847,827	18,264,500	4,566,125
At end of year	<u>5,496,760,513</u>	<u>1,374,190,128</u>	<u>3,893,595,260</u>	<u>973,398,815</u>

## **29. Warrants/Capital reserve for share-based payment transactions**

The details of warrants issued by the Company are as follows:

### **29.1 ESOP**

On 3 June 2013, the Company allotted warrants under Employee Stock Option Plan to employees of the Company and its subsidiaries for 124,669,240 units. The details are as follows:

No. of securities offered:	124,669,240 units
No. of shares reserved for exercise:	124,669,240 shares
Term:	4 years from the issuance date of warrants
Offering date:	3 June 2013
Expiry date:	3 June 2017
Offering price:	0 Baht
Exercise price:	0.25 Baht per share
Exercise ratio:	1 ordinary share per 1 warrant. The exercise ratio may be changed following the conditions for adjustment of right.

Allotment method:

The Company allotted all warrants to directors :  
management : employees in the proportion of 5 :  
20 : 75.

Exercise period:

Exercise date no.1

Upon completion of a period of 12 months from the offering date the warrant holders can exercise 15 % of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.2

Upon completion of a period of 18months from the offering date the warrant holders can exercise 15 % of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.3

Upon completion of a period of 24months from the offering date the warrant holders can exercise 15 % of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.4

Upon completion of a period of 30 months from the offering date the warrant holders can exercise 15 % of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.5

Upon completion of a period of 36 months from the offering date the warrant holders can exercise 20 % of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.6

Upon completion of a period of 42 months from the offering date the warrant holders can exercise 20% of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

The estimated fair value of each share option granted is Baht 0.06. This was calculated using the Black-scholes Merton formula. The model inputs were the share price at the price determination date of Baht 0.34, the exercise price of Baht 0.25, expected volatility of 17.14%, an expected dividend yield of 5.00%, the life of the share options of 4 years, and a risk-free interest rate of 2.86%.

On 25 June 2015, the Company adjusted the exercised ratio for the ESOP warrants. Details of the adjustment are as follows:

	The existing exercise rights	The new exercise rights
Exercise ratio	1 warrant to purchase 1 ordinary share	1 warrant to purchase 1.30439 ordinary shares

During the year, the Company and its subsidiaries recorded expenses amounting to Baht 1.14 million (the Company only: Baht 0.23 million) as personnel expenses. As at 31 December 2015, the Company has capital reserves for share-based payment of Baht 1.42 million.

During the current year, the warrant holders exercised their rights to purchase ordinary shares as follow:

	Numbers of warrant units	Numbers of ordinary shares (Baht)	Cash receipt from exercise of warrants (Baht)	The Company's paid-up capital which increase from exercise of warrants (Baht)	Registration date of increase in paid-up capital with the Ministry of Commerce
Exercise in March 2015	10,500	10,500	2,625	2,625	3 April 2015
Exercise in June 2015	6,564,600	8,562,749	2,140,687	2,140,687	8 July 2015
Exercise in September 2015	11,238,500	14,659,360	3,664,840	3,664,840	12 October 2015
Exercise in December 2015	14,519,600	18,939,162	4,734,791	4,734,791	7 January 2016
	<u>32,333,200</u>	<u>42,171,771</u>	<u>10,542,943</u>	<u>10,542,943</u>	

As at 31 December 2015, 5,440 warrants remain unallocated.

Movements in the number of warrants, ESOP during the period are as follows:

Number of warrants at the beginning of year	87,388,740	Units
Exercise	(32,333,200)	Units
Cancelled	(921,000)	Units
Number of warrants at the end of year	<u>54,134,540</u>	Units

Up to 31 December 2015, the Company cancelled a total of 4,107,900 warrants to purchase ordinary shares of the Company that had been allocated to the directors and management of the Company, because the directors and management who held those warrants had resigned, thus breaching the conditions under which the warrants were received.

## 29.2 AIRA-W1

On 19 June 2015, the Extraordinary General Meeting of the Company's shareholders approved the allotment of up to 781,886,972 warrants (AIRA-W1), which are registered and transferable warrants, to the Company's existing shareholders who subscribe to the newly issued shares. Details of the warrants are summarised below.

Number of warrants issued	: 781,886,972 units
Number of warrants subscribed	: 781,886,827 units
Offering price	: Baht 0 per unit
Offering method	: Proportionate allocation to existing shareholders of the Company who subscribe to the newly issued shares at an offering ratio of 1 warrant for every 2 newly issued ordinary shares
Exercise ratio and price	: 1 warrant per 1 newly issued ordinary share at a price of Baht 2.00 per share
Date of issuance	: 3 August 2015
Term of the warrant	: 3 years from the issuance date of warrants
Expiry date	: 2 August 2018
Exercise dates	: On the last business day of October, January, April and July of every year

### Reconciliation of number of AIRA-W1 warrants

	(Unit: Units)
	Consolidated and Separate financial statements
	31 December 2015
Number of warrants at the issued date	781,886,972
Unsubscribed	(145)
Exercised during the year (Note 28)	(329,500)
Number of warrants at the end of year	781,557,327

### 29.3 AIRA-W2

On 19 June 2015, the Extraordinary General Meeting of the Company's shareholders approved the allotment of up to 781,886,972 warrants (AIRA-W2), which are registered and transferable warrants, to the Company's existing shareholders who subscribe to the newly issued shares. Details of the warrants are summarised below.

Number of warrants issued	: 781,886,972 units
Number of warrants subscribed	: 781,886,827 units
Offering price	: Baht 0 per unit
Offering method	: Proportionate allocation to existing shareholders of the Company who subscribe to the newly issued shares at an offering ratio of 1 warrant for every 2 newly issued ordinary shares
Exercise ratio and price	: 1 warrant per 1 newly issued ordinary share at a price of Baht 3.50 per share
Date of issuance	: 3 August 2015
Term of the warrant	: 4 years from the issuance date of warrants
Expiry date	: 2 August 2019
Exercise dates	: On the last business day of October, January, April and July of every year

#### Reconciliation of number of AIRA-W2 warrants

	(Unit: Units)
	Consolidated and Separate financial statements
	31 December 2015
Number of warrants at the issued date	781,886,972
Unsubscribed	(145)
Exercised during the year (Note 28)	(100)
Number of warrants at the end of year	781,886,727

### 30. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

### 31. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2015</u>	<u>2014</u>
<b>Current income tax:</b>		
Current income tax charge	15,515	41,197
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	<u>(294)</u>	<u>3,279</u>
<b>Income tax expense reported in the statement of comprehensive income</b>	<u>15,221</u>	<u>44,476</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2015</u>	<u>2014</u>
Deferred tax relating to loss on change in value of available-for-sale investments	5,830	198
Deferred tax relating to actuarial gain	<u>334</u>	<u>(431)</u>
	<u>6,164</u>	<u>(233)</u>

Reconciliation between income tax expenses and the product of accounting profit (loss) multiplied by the applicable tax rates for the years ended 31 December 2015 and 2014.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2015</u>	<u>2014</u>
Accounting profit (loss) before tax	<u>(85,606)</u>	<u>118,702</u>
Applicable tax rate	17%, 20%	17%, 20%
Accounting profit (loss) before tax multiplied by applicable tax rate	(16,470)	24,272
Deductible temporary differences and unused tax losses	28,284	18,025
Tax losses used in current year	(74)	(1,252)
Effects of:		
Promotional privileges	(1,196)	(887)
Non-deductible expenses	4,850	4,553
Additional expense deductions allowed	(173)	(203)
Others	-	(32)
Total	<u>3,481</u>	<u>3,431</u>
Income tax expenses reported in the statement of comprehensive income	<u>15,221</u>	<u>44,476</u>

	(Unit: Thousand Baht)	
	Separate	
	financial statements	
	<u>2015</u>	<u>2014</u>
Accounting profit before tax	<u>45,268</u>	<u>52,195</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	9,054	10,439
Deductible temporary differences and unused tax losses	6,687	9,709
Effects of:		
Promotional privileges	(16,181)	(20,585)
Non-deductible expenses	547	503
Additional expense deductions allowed	(107)	(66)
Total	<u>(15,741)</u>	<u>(20,148)</u>
Income tax expenses reported in the statement of comprehensive income	<u>-</u>	<u>-</u>



The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	Statements of financial position	
	Consolidated financial statements	
	As at 31 December 2015	As at 31 December 2014
<b>Deferred tax assets</b>		
Allowance for doubtful accounts	2,159	2,396
Allowance for impairment loss on asset held for sale	489	230
Provision for long-term employee benefits	3,627	2,824
Unrealised loss on re-measuring available-for-sale investments	11,286	5,441
Others	707	453
<b>Total</b>	<b>18,268</b>	<b>11,344</b>
<b>Deferred tax liabilities</b>		
Amortisation of intangible assets	(17,039)	(16,572)
<b>Total</b>	<b>(17,039)</b>	<b>(16,572)</b>
<b>Deferred tax assets (liabilities), net</b>	<b>1,229</b>	<b>(5,228)</b>
Reflected in the statements of financial position as follows:		
Deferred tax assets	5,278	4,742
Deferred tax liabilities	(4,049)	(9,970)
<b>Deferred tax assets (liabilities), net</b>	<b>1,229</b>	<b>(5,228)</b>

As at 31 December 2015, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 307 million (2014: Baht 209 million) (the Company only 2015: Baht 155 million, 2014: Baht 129 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

Details of expiry date of unused tax loss are summarised as below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
31 December 2016	21	21	21	21
31 December 2017	24	24	21	21
31 December 2018	41	41	28	28
31 December 2019	66	66	48	48
31 December 2020	55	-	33	-
	<u>207</u>	<u>152</u>	<u>151</u>	<u>118</u>

### 32. Brokerage fees income

	(Unit: Baht)	
	Consolidated financial statements	
	<u>2015</u>	<u>2014</u>
Brokerage fees from securities business	348,256,478	436,903,990
Brokerage fees from derivatives business	46,325,539	35,842,754
Other brokerage fees	4,221,117	5,498,779
Total	<u>398,803,134</u>	<u>478,245,523</u>

### 33. Fees and services income

	(Unit: Baht)	
	Consolidated financial statements	
	<u>2015</u>	<u>2014</u>
Financial advisory	22,853,512	24,314,507
Private fund management	2,868,752	2,897,948
Service and front-end	30,970,555	30,371,366
Others	1,222,018	491,058
Total	<u>57,914,837</u>	<u>58,074,879</u>

#### 34. Provident fund

The Company and its employees, and the subsidiaries and its employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Company, subsidiaries and employees of each company contribute to the funds monthly at the rate of 3 - 10 percent of basic salary. The funds, which are managed by Kasikorn Asset Management Company Limited and SCB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules.

The contributions for the year 2015 and 2014 were recognized as expenses as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Contributions to provident funds	10.5	9.6	1.1	0.8

#### 35. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year (excluding other comprehensive income) by the weighted average number of ordinary shares which issued during the year.

Diluted earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the sum of the weighted average number of ordinary shares which issued during the year and the weighted average number of ordinary shares which would need to issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
Profit (loss) for the year		Weighted average		Earnings (loss) per share		
		number of ordinary shares				
<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit (loss) attributable to equity holders of the parent	<u>(98,963)</u>	69,977	4,641,826*	3,508,313*	(0.021)	0.020
<b>Effect of dilutive potential ordinary shares</b>						
Warrants	-	381,404	79,636			
<b>Diluted earnings per share</b>						
Profit (loss) attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>69,977</u>	<u>5,023,230</u>	<u>3,587,949</u>	-		0.020

\* Included ordinary shares from the exercise of warrants describe in Note 29.

\* Included ordinary shares from the exercise of warrants describe in Note 29.

Separate financial statements						
		Weighted average				
Profit for the year		number of ordinary shares		Earnings per share		
<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the parent	45,268	52,195	4,641,826*	3,508,313*	0.010	0.015
<b>Effect of dilutive potential ordinary shares</b>						
Warrants	-	-	381,404	79,636		
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	45,268	52,195	5,023,230	3,587,949	0.009	0.015

\* Included ordinary shares from the exercise of warrants describe in Note 29.

However, the Company did not calculate diluted earnings per share for the year ended 31 December 2015, for the consolidated financial statements, because the Company had an operating loss and the effect of the warrants described in Note 29 is therefore anti-dilute.

There is no disclosure of diluted earnings per share of AIRA-W2 warrants in the statement of comprehensive income for the year ended 31 December 2015, since the aggregated amount of the exercise price of AIRA-W2 warrants was higher than the average market price of the Company's ordinary shares.

### 36. Dividends

(Unit: Baht)			
Dividend	Authorised by	Dividend paid	Dividend paid per share
Interim dividend from profit for January - September of 2014	The meeting of the Company's Board of Directors 11 November 2014	46,721,267	0.012
Interim dividend from profit for January - September of 2015	The meeting of the Company's Board of Directors 12 November 2015	41,224,579	0.0075

### 37. Commitments and contingent liabilities

As at 31 December 2015 and 2014, the Company and its subsidiaries have the following outstanding commitments.

- 1) The Company and its subsidiaries have entered into operating lease agreements in respect of the lease of area in the building and equipment. The terms of the agreements are generally between 1 and 9 years.

Future minimum lease payments required under these operating leases contracts and service contracts were as follows:

(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Payable:				
In up to 1 year	34	34	3	3
In over 1 and up to 5 years	114	110	11	11
In over 5 years	40	69	4	7

- 2) The subsidiary has commitments to pay the fees related to its securities business to the Stock Exchange of Thailand, Thailand Clearing House Company Limited and Thailand Securities Depository Company Limited. These comprise a monthly fixed amount, a percentage of trading volume each month and/or a percentage of net settlements each month.
- 3) The subsidiary has commitments to pay the fees related to its derivatives business to Thailand Futures Exchange Public Company Limited and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or at the fixed payment for each purchase or sale of a futures contract transacted.
- 4) The subsidiary has commitments to pay fee to the Office of the Securities and Exchange Commission in relation to securities business licenses for securities brokerage, securities trading, investment advisory, securities underwriting, securities borrowing and lending and private fund asset management. The fee is charged at the certain rate from the aforesaid activities.
- 5) The subsidiary has commitments to pay certain service fees to Thailand Securities Depository Company Limited (TSD), as its Back Office Service Bureau. These comprise a monthly fixed amount and certain other fees specified in the agreement.
- 6) The subsidiary had capital commitments of approximately Baht 0.7 million, relating to the office building improvements.

### **38. Litigation**

As at 31 December 2015, a civil lawsuit was filed against the subsidiary with an amount in dispute of Baht 3 million. At present, the case is under the taking of evidence and the making of statement. The subsidiary's being testimony and witness the litigation will have no significant impact on the financial position and operating results of the subsidiary.

### **39. 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 Company's Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have three reportable segments as follows:

- Securities business segment, which services a securities and derivatives brokerage, securities trading and investment.
- Advisory and investment banking segment, which services an investment and financial advisory, underwriting and private fund management.
- Factoring segment, which purchases account receivables.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit (loss) and total assets information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2015 and 2014, respectively.

	(Unit: Million Baht)					
	Securities and investment business	Advisory and investment banking	Factoring	Total reportable segments	Adjustments and eliminations	Consolidated
<b>Year ended 31 December 2015</b>						
Revenue from external customers	408	27	187	622	(39)	583
Inter-segment revenue	81	-	-	81	(81)	-
Interest revenue	78	-	4	82	(4)	78
Interest expenses	(33)	(1)	(51)	(85)	4	(81)
Depreciation and amortisation	(11)	(1)	(5)	(17)	-	(17)
<b>Segment profit</b>	<b>194</b>	<b>(14)</b>	<b>13</b>	<b>193</b>	<b>(120)</b>	<b>73</b>
Unallocated revenue (expenses)						
Interest revenue						33
Other revenue						6
Interest expenses						(18)
Operating expenses						(180)
Income tax expenses						(15)
Loss for the year						(101)
<b>Segment total assets</b>	<b>2,847</b>	<b>32</b>	<b>2,387</b>	<b>5,266</b>	<b>-</b>	<b>5,829</b>
Additions to non-current assets other than financial instruments, deferred tax assets	25	-	2	27	-	36

(Unit: Million Baht)						
<b>Year ended 31 December 2014</b>	Securities and investment business	Advisory and investment banking	Factoring	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	565	31	178	774	-	774
Inter-segment revenue	103	-	-	103	(103)	-
Interest revenue	41	-	8	49	(1)	48
Interest expenses	(25)	(1)	(53)	(79)	(1)	(80)
Depreciation and amortisation	(8)	(1)	(5)	(14)	-	(14)
<b>Segment profit (loss)</b>	<b>361</b>	<b>(11)</b>	<b>38</b>	<b>388</b>	<b>(103)</b>	<b>285</b>
Unallocated revenue (expenses)						
Interest revenue						36
Other revenue						6
Interest expenses						(32)
Operating expenses						(177)
Income tax expenses						(44)
Profit for the year						<u>74</u>
<b>Segment total assets</b>	<b>2,574</b>	<b>37</b>	<b>2,610</b>	<b>5,658</b>	<b>-</b>	<b>5,607</b>
Additions to non-current assets other than financial instruments, deferred tax assets	17	-	4	21	-	37

#### Geographic information

The Company and its subsidiaries are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

#### 40. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)				
Consolidated Financial Statements				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Held for trade investments				
Equity instruments	43,594	-	-	43,594
Available-for-sale investments				
Equity instruments	120,528	-	-	120,528



## **41. Financial instruments**

### **41.1 Financial risk management**

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, deposits at financial institutions, receivables from Clearing House, securities and derivatives business receivables, factoring receivables, loans receivable, other receivables, short-term loans, payables to Clearing House, securities and derivatives business payables, other payables, factoring payables, retention from factoring and subordinated debentures. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Company and its subsidiaries are exposed to credit risk primarily with respect to deposits at financial institutions, receivables from Clearing House, securities and derivatives business receivables, factoring receivables, loans receivable and other receivables. The management manages the credit risk with respect to deposits at financial institutions, receivables from Clearing House, securities and derivatives business receivables and other receivables by setting up various measures to evaluate credit risks of all new customers when apply for new accounts to determining a proper credit line. The subsidiary also reviews customers' credit lines continuously. To control risk in lending for securities purchase, the subsidiary evaluates the customers' financial status and ability to repay as well as the customers' current trading patterns. The subsidiary also limits the list of securities that can be purchased on margin, and considers the securities fundamentals and liquidity. In addition, the management limits the amount of securities that can be purchased and its concentration in any particular securities. In addition, the management manages the credit risk with respect to retention from factoring and loans receivable by adopting appropriate credit control policies and procedures whereby the subsidiary analyses credit details of customers and follows up customers with overdue accounts in accordance with credit control practices, and considers the amount of retention from factoring and other obligation assets as collateral for each customer according to the assessed credit risk. Therefore, the Company and its subsidiaries do not expect to incur material financial losses.

In addition, the subsidiaries do not have high concentrations of credit risk of retail client since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Financial assets</b>				
Deposits at financial institutions in the name of				
Company, subsidiaries and on behalf of customers				
of subsidiary	2,370,701,698	1,968,097,478	270,360,111	19,972,297
Short-term investments	400,600,000	-	400,600,000	-
Receivables from Clearing House	92,537,623	479,307,788	-	-
Securities and derivatives business receivables	1,169,920,429	1,384,202,507	-	-
Factoring receivables	2,349,173,186	2,419,326,742	-	-
Loans receivable	5,421,046	114,916,270	-	-
Loans to related parties	-	-	287,559,982	99,563,399
Other receivables	22,932,800	18,877,129	696,311	147,460
Restricted deposit	4,400,000	-	4,400,000	-

**Interest rate risk**

The Company and its subsidiaries' exposure to interest rate risk relate primarily to deposits at financial institutions, securities business receivables - credit balance accounts, factoring receivables, loans receivable, borrowings and subordinated debentures. However, since the Company and its subsidiaries' 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.

Significant financial assets and liabilities as at 31 December 2015 and 2014 classified by type of interest rates 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)

Consolidated financial statements									
As at 31 December 2015									
Outstanding balances of financial instruments									
	Floating interest rate	Repricing or maturity dates				No interest	Total	Interest rate (Percent per annum)	
		At call	Within 1 year	1 - 5 years	Over 5 years			Floating rate	Fixed rate
<b><u>Financial instruments - assets</u></b>									
Cash and cash equivalents	632	-	239	-	-	63	934	0.50 - 1.10	1.41 - 1.52
Short-term investments	-	-	401	-	-	-	401	-	1.70 - 2.05
Receivables from Clearing House	-	-	-	-	-	93	93	-	-
Securities and derivatives business receivables	956	-	-	-	-	214	1,170	5.50 - 18.00	-
Factoring receivable	-	-	2,349	-	-	-	2,349	-	5.85 - 15.00
Loans receivable	-	-	5	-	-	-	5	-	6.00 - 9.925
Other receivables	-	-	-	-	-	23	23	-	-
Restricted deposit	-	-	4	-	-	-	4	-	1.70

(Unit: Million Baht)

Consolidated financial statements									
As at 31 December 2015									
Outstanding balances of financial instruments									
	Floating	Repricing or maturity dates						Interest rate (Percent per annum)	
	interest	Within	1 - 5	Over	No			Floating	Fixed
	rate	At call	1 year	years	5 years	interest	Total	rate	rate
<b><u>Financial instruments - liabilities</u></b>									
Short-term loans from financial institutions	1,230	-	-	-	-	-	1,230	-	3.15 - 3.75, MOR
Payables to Clearing House	-	-	-	-	-	126	126	-	-
Securities and derivatives									
business payables	-	-	-	-	-	196	196	-	-
Other payables	-	-	-	-	-	6	6	-	-
Retention from factoring	-	-	-	-	-	46	46	-	-
Subordinated debentures	-	-	200	-	-	-	200	-	5.00
Bill of exchange	-	-	637	-	-	-	637	-	2.75 - 3.55
(Unit: Million Baht)									

(Unit: Million Baht)

Separate financial statements									
As at 31 December 2015									
Outstanding balances of financial instruments									
	Floating	Repricing or maturity dates						Interest rate (Percent per annum)	
	interest		Within	1 - 5	Over	No		Floating	Fixed
	rate	At call	1 year	years	5 years	interest	Total	rate	rate
<b><u>Financial instruments - assets</u></b>									
Cash and cash equivalents	268	-	-	-	-	2	270	0.50	1.5
Short-term investments	-	-	401	-	-	-	401	-	1.70 - 2.05
Loans to related parties	-	-	288	-	-	-	288	-	2.20 - 2.50
Other receivable	-	-	-	-	-	1	1	-	-
Restricted deposit	-	-	4	-	-	-	4	-	1.70
<b><u>Financial instruments - liabilities</u></b>									
Other payables	-	-	-	-	-	1	1	-	-

(Unit: Million Baht)

Consolidated financial statements									
As at 31 December 2014									
Outstanding balances of financial instruments									
	Floating	Repricing or maturity dates					Interest rate (Percent per annum)		
	interest		Within	1 - 5	Over	No		Floating	Fixed
	rate	At call	1 year	years	5 years	interest	Total	rate	rate
<b><u>Financial instruments - assets</u></b>									
Cash and cash equivalents	130	-	53	-	-	81	264	0.5 - 1.5	1.96 - 2.50
Receivables from Clearing									
House	-	-	-	-	-	479	479	-	-
Securities and derivatives									
business receivables	865	-	-	-	-	519	1,384	5.75 - 18.00	-
Factoring receivable	-	-	2,419	-	-	-	2,419	-	6.00 - 15.00
Loans receivable	-	45	6	64	-	-	115	-	6.00 - 9.925
Other receivables	-	-	-	-	-	19	19	-	-
<b><u>Financial instruments - liabilities</u></b>									
Short-term loans from financial									
institutions	970	280	-	-	-	-	1,250	-	2.90 - 4.25
Payables to Clearing House	-	-	-	-	-	2	2	-	-
Securities and derivatives									
business payables	-	-	-	-	-	493	493	-	-
Other payables	-	-	-	-	-	8	8	-	-
Retention from factoring	-	-	-	-	-	47	47	-	-
Subordinated debentures	-	-	200	200	-	-	400	-	5.00
Bill of exchange	-	-	1,544	-	-	-	1,544	-	3.30 - 3.50

(Unit: Million Baht)

Separate financial statements									
As at 31 December 2014									
Outstanding balances of financial instruments									
	Floating	Repricing or maturity dates					Interest rate (Percent per annum)		
	interest	Within	1 - 5	Over	No			Floating	Fixed
	rate	At call	1 year	years	5 years	interest	Total	rate	rate
<b><u>Financial instruments - assets</u></b>									
Cash and cash equivalents	13	-	5	-	-	2	20	0.5	1.96
Loans to related parties	-	-	100	-	-	-	100	-	3.50 - 4.00
<b><u>Financial instruments - liabilities</u></b>									
Other payables	-	-	-	-	-	1	1	-	-
Bill of exchange	-	-	149	-	-	-	149	-	3.50

### Liquidity risk

Liquidity risk is the risk that the Company and its subsidiaries will be unable to liquidate its financial assets and/or procure sufficient funds to discharge their obligations in a timely manner, resulting in the Company and its subsidiaries incurring a financial loss.

The Company and its subsidiaries' cash inflow and outflow are monitored by the treasury department in order to prepare daily cash usage plan. The Company and its subsidiaries control size of any business transaction which may increase our risk of incurring unexpected liability to make cash payment and also considers the impact to internal liquidity and net capital ratio of the Company and its subsidiaries. The subsidiary maintains a net capital ratio in accordance with the rules laid down by the Office of the Securities and Exchange Commission. In addition, the Company and its subsidiaries have a policy to manage its liquidity to ensure that it has sufficient liquidity to meet both present and future requirements, under the supervision of the Risk Management Committee.

As at 31 December 2015 and 2014, the subsidiary was able to maintain a net capital ratio exceeding the requirement laid down by the Office of Securities and Exchange Commission.

The periods of time from the end of reporting date to the maturity dates of financial instruments as of 31 December 2015 and 2014 follows:

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2015						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b><u>Financial instruments - assets</u></b>						
Cash and cash equivalents	695	239	-	-	-	934
Short-term investments	-	401	-	-	-	401
Receivables from Clearing						
House	-	93	-	-	-	93
Securities and derivatives						
business receivables	-	214	-	-	956	1,170
Factoring receivable	-	2,349	-	-	-	2,349
Loans receivable	-	5	-	-	-	5
Other receivables	7	16	-	-	-	23
Restricted deposit	-	4	-	-	-	4

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2015						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b><u>Financial instruments - liabilities</u></b>						
Short-term loans from						
financial institutions	-	1,230	-	-	-	1,230
Payables to Clearing House	-	126	-	-	-	126
Securities and derivatives						
business payables	-	196	-	-	-	196
Other payables	-	6	-	-	-	6
Retention from factoring	-	-	-	-	46	46
Subordinated debentures	-	200	-	-	-	200
Bill of exchange	-	637	-	-	-	637

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2015						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b><u>Financial instruments - assets</u></b>						
Cash and cash equivalents	270	-	-	-	-	270
Short-term investments	-	401	-	-	-	401
Loans to related parties	-	288	-	-	-	288
Other receivables	-	1	-	-	-	1
Restricted deposit	-	4	-	-	-	4
<b><u>Financial instruments - liabilities</u></b>						
Other payables	-	1	-	-	-	1

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2014						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b><u>Financial instruments - assets</u></b>						
Cash and cash equivalents	211	53	-	-	-	264
Receivables from Clearing						
House	-	479	-	-	-	479
Securities and derivatives						
business receivables	-	519	-	-	865	1,384
Factoring receivable	-	2,419	-	-	-	2,419
Loans receivable	45	6	64	-	-	115
Other receivables	14	5	-	-	-	19
<b><u>Financial instruments - liabilities</u></b>						
Short-term loans from						
financial institutions	280	970	-	-	-	1,250
Payables to Clearing House	-	2	-	-	-	2
Securities and derivatives						
business payables	-	493	-	-	-	493
Other payables	1	5	-	-	2	8
Retention from factoring	-	-	-	-	47	47
Subordinated debentures	-	200	200	-	-	400
Bill of exchange	-	1,544	-	-	-	1,544

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2014						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b><u>Financial instruments - assets</u></b>						
Cash and cash equivalents	15	5	-	-	-	20
Loans to related parties	-	100	-	-	-	100
<b><u>Financial instruments - liabilities</u></b>						
Other payables	-	1	-	-	-	1
Bill of exchange	-	149	-	-	-	149

### **Market risk**

Factors of political and economic issues both internally and externally have an impact on the capital market conditions. Especially, the volatility of price movement affects on the gain or loss on the investment. However, the Company and its subsidiaries manage market risk to maintain it at an acceptable level, by setting investment and risk management policies that stipulate appropriate maximum risk exposure limits and require the existence of a unit responsible for monitoring and managing market risk in accordance with the Company and its subsidiaries' policies.

#### **41.2 Fair values of financial instruments**

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, receivables from Clearing House, securities and derivatives business receivables, factoring receivable, loan receivable, other receivables, fees and services income receivables, loans from financial institutions, payable to Clearing House, securities and derivatives business payables, and debt issued and borrowings, their carrying amounts in the statement of financial position approximate their fair value.
- b) For equity securities, their fair value is generally derived from quoted market prices.

During the current period, there were no transfers within the fair value hierarchy.

#### **42. 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 2015, the Group's debt-to-equity ratio was 0.77:1 (2014: 2.29:1) and the Company's was 0.004:1 (2014: 0.10:1).

#### **43. Events after the reporting period**

- 1) On 8 January 2016, AIRA Securities Public Company Limited ("the subsidiary") issued a Baht 100 million promissory note bearing interest at 2.2% per annum and maturing on 8 April 2016. On 8 February 2016 the subsidiary issued another Baht 100 million promissory note bearing interest at the same rate and maturing on 4 May 2016.



- 2) On 21 January 2016, AIRA International Advisory (Singapore) Pte. Ltd. issued a SGD 250,000 promissory note bearing interest at 2.5% per annum and maturing on 20 July 2016.
- 3) On 16 February 2016, the Board of Directors of AIRA Property Company Limited ("the subsidiary") passed resolutions to approve the subsidiary's conversion from a company limited to a public company limited, and the increase of the subsidiary's registered share capital from the existing registered capital of Baht 200 million (20 million ordinary shares of Baht 10 each) to Baht 500 million (50 million ordinary shares of Baht 10 each) through the issue of 30 million new ordinary shares of Baht 10 each, to be offered to the subsidiary's existing shareholders in proportion to their existing holdings.
- 4) On 24 February 2016, the Board of Directors of AIRA Factoring Public Company Limited ("the subsidiary") passed a resolution to propose a dividend payment from retained earnings of Baht 0.01 per share, or a total of Baht 16 million, to the Company's Board of Directors. The payment of such dividend is to be made pending an approval from a resolution of the meeting of the Company's Board of Directors and the subsidiary's shareholders.

#### **44. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2016.