

- TRANSLATION-

August 10 , 2015

Subject: Management Discussion and Analysis on the Operating Results for the 2nd Quarter of 2015

Dear The President
The Stock Exchange of Thailand

AIRA Factoring Public Company Limited ("the Company") would like to submit the interim Financial Statements for the 2nd quarter period ended June 30, 2015 which reviewed by auditor and Management Discussion and Analysis for comparison of operating results between 2nd Quarter of 2015 compared to 2nd Quarter of 2014 whilst the Financial Status of the Company as at June 30, 2015 be compared to information as at June 30, 2014 as follows:

The Operating Results of the Company for the 2nd quarter of 2015 compared to the 2nd quarter of 2014.

Information of Operating Results	(Unit : Million Baht)				Common Size	
	Quarter 2/2015 ended 30Jun15	Quarter 2/2014 ended 30Jun14	Changed		Quarter 2/2015 ended 30Jun15	Quarter 2/2014 ended 30Jun14
			Inc (Dec)	%		
Operating Results						
Total Revenues	46.75	45.67	1.08	2.37%	100%	100%
Interest income from factoring	37.92	36.54	1.39	3.79%	81.11%	80.00%
Finance cost	12.96	13.53	-0.57	-4.24%	28%	30%
Net interest income	24.96	23.00	1.96	8.52%	53%	50%
Fees and services income	7.28	6.80	0.48	7.05%	16%	15%
Other income	1.55	2.33	-0.78	33.55%	3%	5%
Administrative expenses	46.45	40.35	6.10	15.11%	99%	88%
Profit (Loss) before income tax expenses	-12.66	-8.22	-4.44	54%	-27%	-18%
Profit (Loss) fro the period	-16.14	-10.76	-5.38	50%	-35%	-24%
Earning per share	-0.40	-0.27	-0.13	50.02%		

Operating results of 2nd quarter 2015, the Company had total revenues of Baht 46.75 million compared to the same period of 2014 total revenues were Baht 45.67 million, increased by Baht 1.08 million or 2.37% because interest income from factoring increased by Baht 1.39 million or 3.79%, fees and services income rose by Baht 0.48 million or 7.05% and other income decreased by Baht 0.78 million or 33.55%. For the 2nd quarter of 2015, finance cost amounted to Baht 12.96 million or 28% of total revenues compared to finance cost of the 2nd quarter of 2014 was at Baht 13.53 million or 30% of total revenues. Therefore, the finance cost was reduced by Baht 0.57 million or



4.24%. For the 2nd quarter of 2015, net interest income was Baht 24.96 million or 53% of total revenues compared to the same period of previous year net interest income stood at Baht 23 million or 50% of total revenues, increasing of Baht 1.96 million or 8.52%. These proved that the Company's profitability capacity of interest income from factoring was better improvement.

For the 2nd quarter of 2015, the Company's operating results were deficit at Baht 16.14 million, increased from the same period of previous year by Baht 5.38 million or 50% because administrative expenses of 2nd quarter of 2015 were Baht 46.45 million compared to the same period of previous year rose by Baht 6.10 million or 15.11% due to additional allowance for doubtful accounts of Baht 37.43 million comparing to the 2nd quarter of 2014.

Financial Status of the Company

Financial Information	(Unit : Million Baht)				Common Size	
	As at 30 June 2015	As at 31 Dec 2014	Changed		As at 30 June 2015	As at 31 Dec 2014
			Inc (Dec)	%		
Financial Status						
Current Assets	1,952	2,516	-565	-22%	99%	96%
Factoring and loans receivable	1,893	2,470	-577	-23%	96%	95%
Total Assets	1,978	2,610	-632	-24%	100%	100%
Current Liabilities	1,653	2,247	-594	-26%	99%	99%
Short-term loans from financial institutions	1,557	2,166	-608	-28%	93%	96%
Total Liabilities	1,666	2,259	-593	-26%	100%	100%
Total shareholders's equity	313	351	-39	-11%		
Financial Ratios						
Current Ratio (Times)	1.18	1.12	0.06	5.41%		

As at June 30, 2015, the Company had total assets at Baht 1,978 million, decreased by Baht 632 million or 24% compared to total assets at December 31, 2014. Factoring and loans receivable outstanding were Baht 1,893 million reduced by Baht 577 million or 23% compared to December 31, 2014 owing to sluggish economy of the country. The Company need to be more stringent on financing quality but increasingly stressed on rate of return from loan granting. For comparison of assets' structure as at June 30, 2015, the Company had Factoring and loans receivable assets stood at 96% of total assets, better improved by 1%, compared to December 31, 2014 it was at 95% of total assets.



As at June 30, 2015, the Company had total liabilities of Baht 1,666 million decreased by Baht 593million or 26% compared to total liabilities at December 31, 2014. Short term loans from financial institutions were Baht 1,557 million or 93% of total liabilities being supported the Company's lending activities. The short term loans from financial institutions reduced by Baht 608 million or 28% from December 31, 2014.

Please be informed accordingly.

Yours faithfully



(Mr. Samchai Benchapathomrong)

Chief Executive Officer