

## **REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

### **TO THE SHAREHOLDERS AND BOARD OF DIRECTORS**

#### **AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED**

We have audited the consolidated financial statements of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate financial statements of AEON Thana Sinsap (Thailand) Public Company Limited, which comprise the consolidated and separate statements of financial position as at February 29, 2016 and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the period from February 21 to 29, 2016, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and of AEON Thana Sinsap (Thailand) Public Company Limited as at February 29, 2016, and financial performance and cash flows for the period from February 21 to 29, 2016 in accordance with Thai Financial Reporting Standards.

## **Other Matter**

As described in Note 2 to the financial statements, on June 12, 2015, the Annual General Meeting of shareholders had the resolutions to approve the change in accounting period of the Company from starting on February 21, and ending on February 20, of the following year, to be starting from March 1, and ending on the last day of February of the following year. The first accounting period of the change shall be effective and starting from the accounting period of February 21 to 29, 2016, and the next accounting periods shall be starting from March 1, and ending on the last day of February of the following year, which the Company received the approval for the change in accounting period from the Revenue Department and the Ministry of Commerce on June 2, 2015, and June 24, 2015, respectively.

**BANGKOK**  
April 18, 2016

Dr. Suphamit Techamontrikul  
Certified Public Accountant (Thailand)  
Registration No. 3356  
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT FEBRUARY 29, 2016**

**BAHT '000**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		As at	As at	As at	As at
		February 29,	February 20,	February 29,	February 20,
		2016	2016	2016	2016
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5.1	3,808,571	2,924,532	3,129,591	2,360,301
Accounts receivable and other receivables					
Accounts receivable	6	59,560,348	59,510,687	56,801,824	56,857,962
Other receivables	7	810,012	213,920	880,433	259,309
Seller loans in Special Purpose Vehicles					
for Securitization due within one year	11	-	-	2,556,675	2,513,338
Subordinated lendings due within one year	12	1,399,352	1,399,352	1,399,352	1,399,352
Receivables per currency swap contracts	19 and 21	848,201	837,971	848,201	837,971
Short-term loan to a related party	8	-	-	100,000	100,000
Other current assets		42,010	95,203	39,732	40,019
Total Current Assets		<u>66,468,494</u>	<u>64,981,665</u>	<u>65,755,808</u>	<u>64,368,252</u>
<b>NON-CURRENT ASSETS</b>					
Accounts receivable	6	1,329,984	1,212,583	617,854	574,822
Fixed deposits at banks under obligations	9	34,237	34,173	-	-
Investment in associate	10.1 and 10.2	41,245	41,212	16,819	16,819
Investments in subsidiaries	10.2	-	-	957,412	957,412
Other long-term investments					
Related companies	10.3	26,717	26,717	26,717	26,717
Subordinated lendings	12	-	-	29,870	29,870
Leasehold improvement and equipment	13	949,732	953,771	717,517	720,324
Intangible assets	14	650,434	655,525	495,094	499,989
Receivables per currency swap contracts	19 and 21	2,312,832	2,186,163	2,312,832	2,186,163
Deferred tax assets	15	459,099	453,294	427,018	421,269
Other non-current assets	16	178,395	175,901	150,585	151,267
Total Non-Current Assets		<u>5,982,675</u>	<u>5,739,339</u>	<u>5,751,718</u>	<u>5,584,652</u>
<b>TOTAL ASSETS</b>		<u><u>72,451,169</u></u>	<u><u>70,721,004</u></u>	<u><u>71,507,526</u></u>	<u><u>69,952,904</u></u>

Notes to the financial statements form an integral part of these statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT FEBRUARY 29, 2016

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		As at	As at	As at	As at
		February 29,	February 20,	February 29,	February 20,
		2016	2016	2016	2016
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term borrowings					
from financial institutions	17	7,292,064	6,507,898	6,790,000	6,010,000
Accounts payable and other payables					
Accounts payable		430,886	650,834	310,896	526,450
Other payables	18	1,362,153	1,390,640	1,965,910	2,029,915
Current portion of :					
Long-term borrowings	19	11,217,769	10,696,624	11,217,769	10,696,624
Long-term debentures	21	1,250,021	1,247,563	1,250,021	1,247,563
Accrued income tax		281,686	238,168	235,577	195,248
Payables per currency swap contracts	19	44,163	57,107	44,163	57,107
Other current liabilities		358,656	149,448	196,481	132,101
Total Current Liabilities		<u>22,237,398</u>	<u>20,938,282</u>	<u>22,010,817</u>	<u>20,895,008</u>
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings	19	29,693,023	29,526,661	29,329,260	29,164,123
Long-term borrowings under					
securitization project	20	-	-	607,836	593,566
Long-term debentures	21	7,639,461	7,420,957	7,142,056	6,923,552
Payables per currency swap contracts	19	505,175	611,025	505,175	611,025
Subordinated borrowings	12	29,870	29,870	-	-
Employee benefit obligations	22	88,990	88,466	59,672	59,329
Other non-current liabilities		584	584	584	584
Total Non-Current Liabilities		<u>37,957,103</u>	<u>37,677,563</u>	<u>37,644,583</u>	<u>37,352,179</u>
<b>TOTAL LIABILITIES</b>		<u>60,194,501</u>	<u>58,615,845</u>	<u>59,655,400</u>	<u>58,247,187</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT FEBRUARY 29, 2016

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		As at	As at	As at	As at
		February 29,	February 20,	February 29,	February 20,
		2016	2016	2016	2016
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
(CONTINUED)					
SHAREHOLDERS' EQUITY	23				
SHARE CAPITAL					
Authorized share capital					
250,000,000 ordinary shares of Baht 1 each		250,000	250,000	250,000	250,000
Issued and paid-up share capital					
250,000,000 ordinary shares of Baht 1 each, fully paid		250,000	250,000	250,000	250,000
PREMIUM ON ORDINARY SHARE CAPITAL		478,000	478,000	478,000	478,000
RETAINED EARNINGS					
Appropriated					
Legal reserve	24	25,000	25,000	25,000	25,000
Reserve for business expansion		4,850,000	4,850,000	4,850,000	4,850,000
Unappropriated		6,582,881	6,433,755	6,249,126	6,102,717
OTHER COMPONENTS OF EQUITY	26				
Exchange differences on translating financial statements of foreign operations		(13,075)	(15,817)	-	-
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		12,172,806	12,020,938	11,852,126	11,705,717
NON-CONTROLLING INTERESTS		83,862	84,221	-	-
TOTAL SHAREHOLDERS' EQUITY		12,256,668	12,105,159	11,852,126	11,705,717
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>72,451,169</b>	<b>70,721,004</b>	<b>71,507,526</b>	<b>69,952,904</b>

Notes to the financial statements form an integral part of these statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD FROM FEBRUARY 21 TO 29, 2016

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the	For the	For the	For the
		period from	year ended	period from	year ended
		February 21-29,	February 20,	February 21-29,	February 20,
		2016	2016	2016	2016
REVENUES					
Credit card income	27	140,877	6,275,129	136,584	6,224,712
Loan income	27	226,849	8,821,605	227,931	8,738,725
Hire-purchase income		5,973	430,712	5,297	213,207
Other income					
Bad debt recovery		8,814	532,471	8,612	518,594
Gain on sales of written-off accounts					
receivable	38	-	299,406	-	299,406
Collection service income		4,501	203,172	230	16,224
Commission income		11,635	476,473	-	-
Gain (loss) on sale of leasehold improvement					
and equipment and intangible assets		(24)	180	(24)	4,488
Dividend income		-	-	-	115,707
Others		5,610	392,078	2,561	174,845
Total other income		30,536	1,903,780	11,379	1,129,264
Total Revenues		404,235	17,431,226	381,191	16,305,908
EXPENSES					
Operating and administrative expenses		148,347	7,158,818	133,648	6,595,426
Directors and managements' remuneration	28	3,273	134,724	1,953	78,814
Bad debts and doubtful accounts		8,688	4,754,037	8,188	4,507,358
Finance costs		57,993	2,302,934	56,342	2,237,119
Total Expenses		218,301	14,350,513	200,131	13,418,717
Share of profit from investment in associate	10.1	33	3,978	-	-
INCOME BEFORE INCOME TAX EXPENSE		185,967	3,084,691	181,060	2,887,191
INCOME TAX EXPENSE	31	37,710	625,195	34,651	526,393
<b>NET PROFIT FOR THE PERIOD/YEAR</b>		<b>148,257</b>	<b>2,459,496</b>	<b>146,409</b>	<b>2,360,798</b>
<b>NET PROFIT ATTRIBUTABLE TO :</b>					
Owners of the parent		149,126	2,446,356	146,409	2,360,798
Non-controlling interests		(869)	13,140	-	-
		148,257	2,459,496	146,409	2,360,798
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	<b>0.60</b>	<b>9.79</b>	<b>0.59</b>	<b>9.44</b>
<b>WEIGHTED AVERAGE NUMBER OF</b>					
<b>ORDINARY SHARES</b>	<b>SHARES</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>

Notes to the financial statements form an integral part of these statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM FEBRUARY 21 TO 29, 2016**

**BAHT '000**

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the	For the	For the	For the
		period from	year ended	period from	year ended
		February 21-29,	February 20,	February 21-29,	February 20,
		2016	2016	2016	2016
Net profit for the period/year		148,257	2,459,496	146,409	2,360,798
Other comprehensive income (loss) - net from income tax					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements of foreign operations	27				
- Owners of the parent		2,742	(14,698)	-	-
- Non-controlling interests		510	(193)	-	-
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain from actuarial assumptions		-	7,431	-	6,701
Other comprehensive income (loss) for the period/year, net of income tax		3,252	(7,460)	-	6,701
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b>		<b>151,509</b>	<b>2,452,036</b>	<b>146,409</b>	<b>2,367,499</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :</b>					
Owners of the parent		151,868	2,439,089	146,409	2,367,499
Non-controlling interests		(359)	12,947	-	-
		<b>151,509</b>	<b>2,452,036</b>	<b>146,409</b>	<b>2,367,499</b>

Notes to the financial statements form an integral part of these statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE PERIOD FROM FEBRUARY 21 TO 29, 2016

BAHT '000

Notes	CONSOLIDATED FINANCIAL STATEMENTS								
	Issued and paid-up share capital	Premium on ordinary shares	Owners of the parent Retained earnings		Other components of equity	Total owners of the parent	Non-controlling interests	Total shareholders' equity	
			Appropriated Legal reserve	Unappropriated Reserve for business expansion	Exchange differences on translating financial statements of foreign operations				
<b>Beginning balance, as at February 21, 2015</b>	250,000	478,000	25,000	4,850,000	4,842,294	(1,119)	10,444,175	645	10,444,820
Changes during the year									
Increase in share capital from non-controlling interests in subsidiaries	10.2	-	-	-	-	-	-	64,302	64,302
Change in shareholding in a subsidiary	10.2	-	-	-	-	-	-	6,372	6,372
Dividend paid	23.1	-	-	-	(462,328)	-	(462,328)	(15)	(462,343)
Interim dividend paid	23.2	-	-	-	(399,998)	-	(399,998)	-	(399,998)
Capital repayment from dissolution in a subsidiary	23.3	-	-	-	-	-	-	(30)	(30)
Net profit (loss) for the year		-	-	-	2,446,356	-	2,446,356	13,140	2,459,496
Other comprehensive income (loss)		-	-	-	7,431	(14,698)	(7,267)	(193)	(7,460)
<b>Ending balance, as at February 20, 2016</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>6,433,755</u>	<u>(15,817)</u>	<u>12,020,938</u>	<u>84,221</u>	<u>12,105,159</u>
<b>Beginning balance, as at February 21, 2016</b>	250,000	478,000	25,000	4,850,000	6,433,755	(15,817)	12,020,938	84,221	12,105,159
Changes during the period									
Dividend paid		-	-	-	-	-	-	-	-
Net profit (loss) for the period		-	-	-	149,126	-	149,126	(869)	148,257
Other comprehensive income		-	-	-	-	2,742	2,742	510	3,252
<b>Ending balance, as at February 29, 2016</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>6,582,881</u>	<u>(13,075)</u>	<u>12,172,806</u>	<u>83,862</u>	<u>12,256,668</u>

Notes to the financial statements form an integral part of these statements



**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE PERIOD FROM FEBRUARY 21 TO 29, 2016**

**BAHT '000**

	Notes	SEPARATE FINANCIAL STATEMENTS				Unappropriated	Total shareholders' equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings Appropriated Legal reserve	Reserve for business expansion		
<b>Beginning balance, as at February 21, 2015</b>		250,000	478,000	25,000	4,850,000	4,597,544	10,200,544
Changes during the year							
Dividend paid	23.1	-	-	-	-	(462,328)	(462,328)
Interim dividend paid	23.2	-	-	-	-	(399,998)	(399,998)
Net profit for the year		-	-	-	-	2,360,798	2,360,798
Other comprehensive loss		-	-	-	-	6,701	6,701
<b>Ending balance, as at February 20, 2016</b>		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>6,102,717</u>	<u>11,705,717</u>
<b>Beginning balance, as at February 21, 2016</b>		250,000	478,000	25,000	4,850,000	6,102,717	11,705,717
Changes during the period							
Net profit for the period		-	-	-	-	146,409	146,409
<b>Ending balance, as at February 29, 2016</b>		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>6,249,126</u>	<u>11,852,126</u>

Notes to the financial statements form an integral part of these statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM FEBRUARY 21, TO 29, 2016

BAHT '000

Note	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the	For the	For the	For the
	period from	year ended	period from	year ended
	February 21-29,	February 20,	February 21-29,	February 20,
	2016	2016	2016	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax expense	185,967	3,084,691	181,060	2,887,191
Adjustments for:				
Share of profit from investment in associate	(33)	(3,978)	-	-
Bad debts and doubtful accounts	8,688	4,754,037	8,188	4,507,358
Depreciation	7,788	342,772	6,037	266,573
Amortization of intangible assets	5,447	235,555	4,895	204,014
Employee benefit expense	524	22,532	343	15,165
Gain on sale of written-off accounts receivable	-	(299,406)	-	(299,406)
Gain on sale of leasehold improvement and equipment	(3)	(1,284)	(3)	(4,162)
Loss on written-off of leasehold improvement and equipment	27	2,805	27	653
Gain on sale of intangible assets	-	(1,701)	-	(979)
Interest income	(262,400)	(9,426,900)	(235,955)	(8,533,309)
Dividend income	-	-	-	(115,707)
Finance cost	57,993	2,302,934	56,342	2,237,119
	3,998	1,012,057	20,934	1,164,510
Operating assets (increase) decrease				
Accounts receivable and other receivables	(716,811)	(8,865,140)	(6,820,581)	(14,191,497)
Other current assets	52,694	(40,043)	287	(1,234)
Other non-current assets	(3,183)	(16,856)	-	(7,284)
Operating liabilities increase (decrease)				
Accounts payable and other payables	(227,076)	244,967	(264,187)	247,928
Other current liabilities	209,821	74,217	64,378	70,867
Other non-current liabilities	-	(130)	-	(10,399)
Cash paid for operations	(680,557)	(7,590,928)	(6,999,169)	(12,727,109)
Proceeds from interest income	207,360	9,295,400	183,384	8,416,246
Dividend received	-	-	-	115,707
Finance cost paid	(55,689)	(2,259,832)	(53,409)	(2,177,465)
Income tax paid	(203)	(675,001)	(71)	(582,234)
Retirement benefits paid	-	(991)	-	(18,806)
Net cash used in operating activities	(529,089)	(1,231,352)	(6,869,265)	(6,973,661)

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE PERIOD FROM FEBRUARY 21 TO 29, 2016

BAHT '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the	For the	For the	For the
		period from	year ended	period from	year ended
		February 21-29,	February 20,	February 21-29,	February 20,
		2016	2016	2016	2016
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash paid for fixed deposits at banks					
under obligations		(64)	(12,216)	-	-
Cash paid for purchases of leasehold improvement					
and equipment		(23,404)	(244,265)	(22,886)	(200,321)
Cash paid for purchases of intangible assets		(2,057)	(168,936)	(1,701)	(131,741)
Proceeds from sale of leasehold improvement					
and equipment	9	9	2,210	9	93,523
Proceeds from sale of intangible assets	-	-	2,026	-	27,135
Cash paid for short-term loan to a related party	-	-	-	-	(100,000)
Proceeds from capital refund from a subsidiary	-	-	-	-	10
Capital refund paid from dissolution in a subsidiary	-	-	(30)	-	-
Cash paid for investment in subsidiaries	-	-	-	-	(237,167)
Cash paid for purchase of investment in a subsidiary					
from non-controlling interest	-	-	(1,783)	-	-
Net cash used in investing activities		(25,516)	(422,994)	(24,578)	(548,561)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from sale of additional revolving					
receivables under securitization projects	-	-	-	6,217,777	6,084,009
Proceeds from sale of written-off					
accounts receivable	-	-	299,406	-	299,406
Proceeds from long-term subordinate borrowings under					
securitization project	-	-	29,870	-	-
Proceeds from bank overdrafts and short-term					
borrowings from financial institutions	7,669,000	7,669,000	239,532,636	7,660,000	237,241,617
Cash repayments for bank overdrafts and					
short-term borrowings from financial institutions	(6,884,833)	(6,884,833)	(236,180,043)	(6,880,000)	(234,031,617)
Cash repayments for short-term borrowings from					
a related company	-	-	-	-	(50,000)
Proceeds from long-term debentures	450,000	450,000	1,094,265	450,000	596,860
Proceeds from long-term borrowings			8,717,400	-	8,717,400
Cash repayments for long-term debentures	201,225	201,225	(646,000)	200,000	(646,000)
Cash repayments for long-term borrowings	-	-	(10,225,174)	-	(10,256,580)
Proceeds from long-term borrowings under					
securitization project	-	-	-	33,573	789,330
Cash repayments for long-term borrowings					
securitization project	-	-	-	(18,217)	(217,947)

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE PERIOD FROM FEBRUARY 21 TO 29, 2016

BAHT '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the	For the	For the	For the
		period from	year ended	period from	year ended
		February 21-29,	February 20,	February 21-29,	February 20,
		2016	2016	2016	2016
<b>CASH FLOWS FROM FINANCING ACTIVITIES (CONTINUED)</b>					
Proceeds from ordinary shares issued of a subsidiary		-	64,302	-	-
Dividend paid		-	(462,343)	-	(462,328)
Interim dividend paid		-	(399,998)	-	(399,998)
Net cash provided by financing activities		1,435,392	1,824,321	7,663,133	7,664,152
Net increase in cash and cash equivalents		880,787	169,975	769,290	141,930
Increase (decrease) in exchange differences on					
translating financial statements of foreign operations		3,252	(14,891)	-	-
Cash and cash equivalents at beginning of the period/year		2,924,532	2,769,448	2,360,301	2,218,371
<b>Cash and cash equivalents at the end of the period/year</b>	5.1	<b>3,808,571</b>	<b>2,924,532</b>	<b>3,129,591</b>	<b>2,360,301</b>

Notes to the financial statements form an integral part of these statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM FEBRUARY 21 TO 29, 2016**

**1. OPERATIONS OF THE COMPANY**

The Company was registered as a limited company under the Civil and Commercial Code on September 18, 1992 and registered to be Public Company Limited with the Ministry of Commerce on August 7, 2001. The Company was listed on The Stock Exchange of Thailand on December 11, 2001. The Company's head office is located at 388, 27<sup>th</sup> Floor, Exchange Tower, Sukhumvit Road, Klongtoey, Bangkok. The Company's main objective is to do the retail finance services which consist of credit card, hire-purchase and personal loans and others.

As at February 29, 2016 and February 20, 2016, the Company has 120 branches.

AEON Financial Service Co., Ltd., incorporated in Japan, and ACS Capital Corporation Limited, incorporated in Thailand, are major shareholders with 35.12% and 19.20% shareholdings, respectively. AEON Co., Ltd., incorporate in Japan, is the ultimate parent company of the group.

The Company has subsidiaries which are under its control in finance and operations and an associates which is the Company has significant influence, but not control or joint control, over the financial and operating policies as mentioned in Notes 3.4, 11.1 and 11.2.

**2. CHANGE IN ACCOUNTING PERIOD**

On June 12, 2015, the Annual General Meeting of shareholders had the resolutions to approve the change in accounting period of the Company from starting on February 21, and ending on February 20, of the following year, to be starting from March 1, and ending on the last day of February of the following year. The first accounting period of the change shall be effective and starting from the accounting period of February 21 to 29, 2016, and the next accounting periods shall be starting from March 1, and ending on the last day of February of the following year, which the Company received the approval for the change in accounting period from the Revenue Department and the Ministry of Commerce on June 2, 2015, and June 24, 2015, respectively.

**3. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

3.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards (TFRSs) and accounting practices generally accepted in Thailand.

All financial information presented has been rounded to the nearest thousand Baht unless otherwise stated.

3.2 The consolidated and separate financial statements have been prepared in accordance with Thai Accounting Standard (TAS) No. 1 (Revised 2015) “Presentation of Financial Statements”, and the Regulation of The Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544 and the Notification of the Department of Business Development dated September 28, 2011 regarding “The Brief Particulars in the Financial Statement B.E. 2554”.

3.3 The consolidated financial statements for the period from February 21 to 29, 2016 and for the year ended February 20, 2016 included the accounts of the Company and its subsidiaries and interest in equity-accounted in an associate. Significant transactions and balances between the Company and the subsidiaries have been eliminated.

3.3.1 Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Losses in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

As the loss of control in subsidiary, the Company will derecognize the assets and liabilities, any non-controlling interests and the other components of shareholder’s equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an investment in securities available-for-sale depending on the level of influence retained.

3.3.2 An associate is the entity in which the Company have significant influence, but not control or joint control, over the financial and operating policies.

Interest in the associate is accounted for using the equity method. It is recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company’s share of the profit or loss and other comprehensive income of equity-accounted investee, until the date on which significant influence ceases.

3.4 For the period from February 21 to 29, 2016 and for the year ended February 20, 2016, the subsidiaries included in the consolidated financial statements are as follows:

	<b>Business type</b>	<b>Country of Registration</b>	<b>Registration Date</b>	<b>Percentage of direct and indirect holdings</b>
Eternal 5 Special Purpose Vehicle Company Limited*	Special purpose juristic person in securitization projects	Thailand	April 5, 2010	26.00
Eternal 6 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	March 14, 2013	26.00
AEON Specialized Bank (Cambodia) Plc.	Retail finance business	Cambodia	October 5, 2011	80.00
AEON Insurance Service (Thailand) Company Limited	Non-life insurance broker and life insurance broker	Thailand	July 1, 2013	100.00
ACS Servicing (Thailand) Company Limited	Collection servicer	Thailand	March 13, 2007	100.00
AEON Microfinance (Myanmar) Company Limited	Retail finance business	Myanmar	November 2, 2012	100.00
AEON Leasing Service (Lao) Company Limited**	Retail finance business	Laos	January 11, 2013	100.00
ATS Rabbit Special Purpose Vehicle Company Limited***	Special purpose juristic person in securitization projects	Thailand	March 20, 2015	48.75

\* Eternal 5 Special Purpose Vehicle Company Limited had already registered the dissolution with the Department of Business Development, Ministry of Commerce on August 20, 2013. Eternal 5 is under the liquidation process (see Notes 6.5 and 10.2).

\*\* The Company holds shares indirectly through ACS Servicing (Thailand) Company Limited and AEON Insurance Service (Thailand) Company Limited with 3.71% and 3.71% shareholdings, respectively.

\*\*\* The Company has the power to control over ATS Rabbit Special Purpose Vehicle Company Limited because the Company has power to appoint the board of directors and rights to provide certain service which is significantly impacted by the performance of underlying assets and has rights to get variable return from such company under securitization project.

The consolidated financial statements for the period from February 21 to 29, 2016 and for the year ended February 20, 2016 included equity interest in an associated company as follows:

	<b>Business type</b>	<b>Country of Registration</b>	<b>Registration Date</b>	<b>Percentage of direct and indirect holdings</b>
ACS Trading Vietnam Company Limited	Retail finance business	Vietnam	May 26, 2008	20.00

The significant accounting policies used for the financial statements of the subsidiaries and an associated company are adjusted to be the same as those of the Company.

- 3.5 The financial statements of subsidiaries and associate used in the preparation of consolidated financial statements are as of a date or for a period that is different from that of the consolidated financial statements. However, the Company consolidated the financial information of the subsidiaries and associate using the most recent financial statements of the subsidiaries and associate adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements. The date of the end of the reporting period of the financial statements of the subsidiaries and associate are as follows:

	<b>The date of the end of the reporting period in preparation of the consolidated financial statements</b>	
	<b>For the period from February 21-29, 2016</b>	<b>For the year ended February 20, 2016</b>
<b>Subsidiaries</b>		
AEON Microfinance (Cambodia) Private Company Limited	January 9, 2016	December 31, 2015
AEON Insurance Service (Thailand) Company Limited	January 9, 2016	December 31, 2015
ACS Servicing (Thailand) Company Limited	January 9, 2016	December 31, 2015
AEON Microfinance (Myanmar) Company Limited	January 9, 2016	December 31, 2015
AEON Leasing Service (Lao) Company Limited	January 9, 2016	December 31, 2015
<b>Associate</b>		
ACS Trading Vietnam Company Limited	January 9, 2016	December 31, 2015

- 2.6 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current period financial statements

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) (Revised 2015) which are effective for the financial statements for the period beginning on or after January 1, 2016 onwards. However, such TFRSs have no material impact on these financial statements.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis except as disclosed in the following:

##### 4.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand, deposits at financial institutions' savings accounts, current accounts and fixed accounts with original maturities within 3 months, investment in securities - bills of exchange with original maturities within 3 months and excluding deposits at financial institutions used as collateral.

##### 4.2 Accounts receivable

Accounts receivable are stated at the outstanding contract price after deducting unearned financing income and allowance for doubtful accounts.



Accounts receivables of insurance brokers are stated at total amount of premium to be collected from customers for forwarding to insurance companies including the portion of the Company's commission.

#### 4.3 Allowance for doubtful accounts and bad debts

The allowance for doubtful accounts on accounts receivable have been calculated based on a collective approach by classifying a group of loans having similar credit risk characteristics based on the historical loss experience of each loan category, which the Company's allowance for doubtful accounts shall not be less than allowance for doubtful accounts fully provided for all receivables over 3 installments contractually past due, in order to comply with the notification of the Office of the Securities and Exchange Commission.

The Company and subsidiaries have written off debts that are determined to be irrecoverable.

Bad debt recovery is recorded as income in the statement of profit or loss when received.

#### 4.4 Troubled debt restructuring

For the debt restructuring by the modification of term of repayment to the debtor, the Company determines the loss arising from the revaluation of the book value of the debtor on the basis of the present value of the future cash flows to be received under the new conditions, using the minimum interest for prime customers in discounting. Amount by which the newly determined book value is lower than the previous book value, including interest receivable, is recorded as a loss from restructuring in the statement of profit or loss.

Losses from troubled debt restructuring arising from reductions of principal and interest are included in the statement of profit or loss.

#### 4.5 Securitization transactions

##### 4.5.1 Securitization Project which were approved by the Securities and Exchange Commission of Thailand ("the SEC") since February 3, 2006 but before October 2, 2015

Since there are no Thai accounting standards in dealing with securitization transactions, the Company applied the exposure draft of the accounting guideline issued by the Federation of Accounting Professions for accounting for securitizations.

The Company recognized the sales of credit card receivables to a Special Purposes Vehicle ("Securitization Plan"), according to the approval conditions required by the SEC. The conditions related to the accounting treatment are as follows:

- (1) The Company will prepare its financial statements in accordance with the accounting standards and exposure draft of the accounting guideline issued by the Federation of Accounting Professions. Therefore, the Company will prepare consolidated financial statements to combine the financial statements Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) and Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6).
- (2) The Company is able to derecognize the credit card receivables, which were transferred to the Special Purpose Vehicle, and the debentures under the securitization project in the amount that the risks and rewards on the receivables have been transferred to the debenture holders for both initial receivables transferred on the initial cutoff date and additional revolving receivables transferred during the revolving period.

For those receivables whose risks and rewards were not transferred to the debenture holders, the Company has recorded it as Subordinated Lending Account which is separately presented in the consolidated and separate statements of financial position.

In order to derecognize the credit card receivables and the debentures under the securitization project which the risks and rewards on the receivables have been transferred to the debenture holders, the Company has considered that the risks and rewards have been transferred when the transferor surrenders control over those assets to the transferee and accounted for as a sale to the extent that consideration other than beneficial interests in the transferred assets is received in exchange. And such beneficial interests do not include other retained interests in the transferred assets.

Servicing assets and other retained interests in the transferred assets are measured by allocating the previous carrying amount between the assets sold, if any, and retained interests, if any, based on their relative fair values at the date of transfer, if practicable.

#### 4.5.2 Securitization Project which were approved by the SEC on October 2, 2015

The Company has adopted the “Draft Accounting Guideline for Derecognition of Financial Assets and Liabilities” issued by the FAP before the effective date for securitization transactions under the Project which was approved by the SEC on October 2, 2015 for ATS Rabbit Special Purpose Vehicle Company Limited.

The financial assets will be derecognized when the contractual rights to the cash flows from the assets expire, or when the Company transfers the financial assets and substantially all the risks and rewards of ownership of the assets to another party and no control the transferred assets. If the transferred assets do not qualify to derecognition, the Company continues to recognize the financial assets in its entirety and an associated liability or collateralized borrowing for amount it may have to pay. These financial assets and an associated liability or collateralized borrowing will be separately presented.

If the transferred assets are qualify to derecognition, the difference between the financial assets' carrying amount and the consideration received will be recognized in statement of profit or loss.

#### 4.6 Investments

Equity securities which are not marketable and are not subsidiaries and associate are classified as other long-term investments and are stated at cost, less allowances for impairment (if any).

Investments in subsidiaries in the separate financial statements are accounted for using the cost method, less allowances for impairment (if any).

Investment in associate in the consolidated financial statements is accounted for using the equity method. Investment in associate in the separate financial statements is accounted for using the cost method, less allowance for impairment (if any).

In case impairment in value of investment has occurred, the resultant loss of investment is recognized in the statement of profit or loss.

Cost of securities sold are determined by the weighted-average method.

#### 4.7 Leasehold improvement and equipment

Leasehold improvement and equipment are stated at cost less accumulated depreciation.

Depreciation of leasehold improvement and equipment is calculated by the straight-line method, based on the estimated useful life of the assets of 3 years and 5 years.

Depreciation for the finance lease assets is charged as expense for the year. The depreciation method for leased assets is consistent with that for depreciable assets that are owned.

#### 4.8 Intangible assets

Intangible assets are computer software which is amortized by the straight-line method over the estimated useful lives of 5 years and 10 years.

#### 4.9 Assets and liabilities in foreign currencies

##### 4.9.1 Functional currency and presentation currency

The consolidated and the separate financial statements are presented in Baht as the presentation currency.

Items in the financial statements of foreign operations are recorded at their functional currency.

##### 4.9.2 Translation of foreign currency transaction

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the transaction dates.

At the reporting date, balances of monetary assets and liabilities are translated at the exchange rate as of the reporting date. Balances of non-monetary assets and liabilities are translated at the exchange rate prevailing at the transaction dates or exchange rate at the date when the fair value was determined.

Gains (losses) on foreign currency trading and foreign currency translation are presented as gains (losses) on trading and foreign exchange transactions.

##### 4.9.3 Translation of financial statements of foreign operations

The translation of financial statements of a foreign operation into Baht for the purpose of preparing the consolidated financial statements is determined by using the following rates:

- Assets and liabilities are translated at the rate prevailing at the report date.
- Shareholders' equity is translated at the rates prevailing on the transaction dates.
- Revenues and expenses are translated at the average rate during the year.

Gain (loss) on translation of financial statements of a foreign operation is shown as other components of equity under shareholders' equity.

Intercompany transactions are translated at the rates prevailing on the dates of transactions and, upon elimination, at the rates prevailing on the consolidation date.

#### 4.10 Financial instruments

The Company entered into Interest Rate Swap Contracts, Cross Currency Swap Contracts, and Cross Currency Interest Rate Swap Contracts in asset and liability management activities to control exposure to fluctuations in interest and foreign exchange rates.

Income or expense from Interest Rate Swap Contracts used to manage interest rate exposures are recognized as adjustments to interest income or expense in the statement of profit or loss.

Gains or losses on Cross Currency Swap Contracts designated as hedges of existing assets and liabilities are recognized as income or expense in the statement of profit or loss.

Amounts to be paid and received on such agreements are classified as a non-current asset or a non-current liability if the remaining maturity of the agreements are more than 12 months and as a current asset or a current liability if the remaining maturity of the agreements are less than 12 months.

The Company and its subsidiaries have no policy to speculate in or engage in the trading of any derivative financial instruments.

#### 4.11 Lease agreements

##### Finance lease agreements

Leases which substantially all the risks and rewards of ownership are transferred to the Company are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the balance outstanding. The outstanding rental obligations, net of finance charges, are included in long-term liabilities. The interest element of the finance cost is charged to the statement of profit or loss over the lease period. The assets under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

##### Operating lease agreements

Leases which a significant portion of the risks and rewards of ownership are retained with the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss over the lease term.

When an operating lease is terminated before the lease period has expired, any fine paid to the lessor, if any, is recognized as an expense in the period in which the termination takes place.

#### 4.12 Recognition of revenues and expenses

Interest income from purposed loan, hire-purchase receivable, credit card receivable and personal loan are recognized on an accrual basis which is calculated by the effective interest method.

The Company has stopped recognizing income from debtors who are over 3 consecutive installments contractually past due by stopping income recognition of such receivables since the 4<sup>th</sup> installment, in accordance with the notification of the SEC dated April 30, 2004 regarding “The Opinion on Provision for Doubtful Accounts for Consumer Finance Business”.

Commission income is recognized on the issue date of the policy.

Collection service income is recognized when debt is collected.

Dividend income is recognized on the date the Company’s right to receive payments is established.

Other income and expense are recognized on an accrual basis.

#### 4.13 Employee Benefits

##### 4.13.1 Provident Fund

The contribution for employee provident fund is recorded as expense when incurred.

##### 4.13.2 Post-employment benefits

The Company and its subsidiaries operate post-employment benefits plans under the Labor Protection Act. Such employee benefits are calculated by an independent actuary at the end of reporting period using the Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions including salaries, turnover rate, mortality rate, years of service and other factors. Discount rate used in the calculation of provision is referenced to the yield curve of Thai government bond.

Actuarial gain or loss are recognized in statement of profit or loss and other comprehensive income.

#### 4.14 Deferred revenue from Customer Loyalty Programmes

Customer loyalty programmes are to grant the points whereby customers are awarded credits (Points) entitling customers to the right to redeem within determined period under condition of customer loyalty programmes. Obligation from granting the points to purchase products or get free service in the future is recognized and measured at the fair value of consideration received or receivable which is derived from outstanding points expected future redemption multiplied by estimated fair value per point by reference to

the fair value of the right to redeem. Such obligation is allocated from consideration received or receivable and recorded through “Deferred revenue from customer loyalty programmes” in the statement of financial position under “Other payables” and recognized in the statement of profit or loss as “Credit card income” when the points are redeemed by customers.

#### 4.15 Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### 4.15.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted at the financial statement date.

##### 4.15.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed by the end of each reporting period. Deferred tax asset shall be reduced to the extent that utilized taxable profits decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities, and deferred tax assets and liabilities, are offset when there is a legally enforceable right to set off the recognized amounts and the Company intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

Income tax expense or income related to profit or loss are presented in the statement of profit or loss and net presented with items recognized directly in shareholders' equity in statement of profit or loss and other comprehensive income.

#### 4.16 Basic earnings per share

Basic earnings per share are calculated by dividing the net income for the year by the number of weighted-average ordinary shares outstanding during the year. In the case of a capital increase, the number of shares is weighted according to time of registration of the paid-up share capital increase. The Company did not have any common share equivalents outstanding which would have dilutive effects on earnings per share.

#### 4.17 Fair value measurements

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if a producer or supplier of a marketable good would take those characteristics into the consideration the price that would be received to sell an asset or paid to transfer a liability at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for disclosure in the financial statements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements as follows:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs are unobservable inputs for the asset or liability.

#### 4.18 Significant use of accounting judgments and estimations

In the application of the Company's accounting policies described above, the management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. Significant accounting estimate of allowance for doubtful accounts and bad debts are as follows:

The Company determines allowance for doubtful accounts on accounts receivables using a collective approach which requires the management to classify a group of loans having similar credit risk characteristics and using the historical loss experience of each loan category for estimation.



## 5. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

5.1 Cash and cash equivalents as at February 29, 2016 and February 20, 2016, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 29,	February 20,	February 29,	February 20,
	2016	2016	2016	2016
	Baht '000	Baht '000	Baht '000	Baht '000
Cash	1,383,301	1,110,116	1,370,634	1,096,493
Deposits at bank - call deposits	2,425,270	1,814,416	1,758,957	1,263,808
Cash and cash equivalents	<u>3,808,571</u>	<u>2,924,532</u>	<u>3,129,591</u>	<u>2,360,301</u>

5.2 Cash paid for purchase of leasehold improvement and equipment and intangible assets for the period from February 21 to 29, 2016 and for the year ended February 20, 2016, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the	For the	For the	For the
	period from	year ended	period from	year ended
	February 21-29,	February 20,	February 21-29,	February 20,
	2016	2016	2016	2016
	Baht '000	Baht '000	Baht '000	Baht '000
Leasehold improvement and equipment				
Liabilities recorded - brought forward	35,122	8,848	35,122	8,848
Purchase of leasehold improvement and Equipment	<u>3,782</u>	<u>270,539</u>	<u>3,264</u>	<u>226,595</u>
	38,904	279,387	38,386	235,443
<u>Less</u> Cash payments for purchase of leasehold improvement and equipment	<u>(23,404)</u>	<u>(244,265)</u>	<u>(22,886)</u>	<u>(200,321)</u>
Liabilities recorded - carried forward	<u>15,500</u>	<u>35,122</u>	<u>15,500</u>	<u>35,122</u>
Intangible assets				
Liabilities recorded - brought forward	2,067	17,015	2,067	17,015
Purchase of intangible assets	<u>356</u>	<u>153,988</u>	<u>-</u>	<u>116,793</u>
	2,423	171,003	2,067	133,808
<u>Less</u> Cash payments for investment in intangible assets	<u>(2,057)</u>	<u>(168,936)</u>	<u>(1,701)</u>	<u>(131,741)</u>
Liabilities recorded - carried forward	<u>366</u>	<u>2,067</u>	<u>366</u>	<u>2,067</u>

5.3 During the period from February 21 to 29, 2016 and during the year ended February 20, 2016, the Company had non-cash item relating to sale of the right on credit card receivables as the Company sold additional revolving credit card receivables to subsidiaries during the revolving period or repurchased the right on credit card receivables which was settled by increasing the Seller Participation Account of Baht 29.10 million and Baht 2,232.75 million, respectively, instead of cash receipt.

- 5.4 During the period from February 21 to 29, 2016, the Company had non-cash item relating to sale of the rights on loans receivable to ATS Rabbit Special Purpose Vehicle Company Limited, which is a subsidiary of the Company, as the Company sold loan receivables to such subsidiary which was settled by increasing the Seller loan Account of Baht 14.23 million, instead of cash receipt.

During the year ended February 20, 2016, the Company had non-cash item relating to sale of the rights on loans receivable to ATS Rabbit Special Purpose Vehicle Company Limited as the Company sold loan receivables to such subsidiary which was settled by increasing the Subordinated lendings Account and Seller loan Account of Baht 29.87 million and Baht 48.58 million, respectively, instead of cash receipt.

## 6. ACCOUNTS RECEIVABLE

- 6.1 Accounts receivable as at February 20, consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 29,	February 20,	February 29,	February 20,
	2016	2016	2016	2016
	Baht '000	Baht '000	Baht '000	Baht '000
Accounts receivable	62,694,464	62,532,984	59,086,148	59,105,336
Accounts receivable under securitization project				
- ATS Rabbit Special Purpose Vehicle				
Company Limited	607,836	593,566	607,836	593,566
Total	63,302,300	63,126,550	59,693,984	59,698,902
<u>Less</u> Allowance for doubtful accounts	(2,411,968)	(2,403,280)	(2,274,306)	(2,266,118)
Total accounts receivable	<u>60,890,332</u>	<u>60,723,270</u>	<u>57,419,678</u>	<u>57,432,784</u>
Accounts receivable due within 1 year	59,560,348	59,510,687	56,801,824	56,857,962
Accounts receivable due after than 1 year	1,329,984	1,212,583	617,854	574,822
Total	<u>60,890,332</u>	<u>60,723,270</u>	<u>57,419,678</u>	<u>57,432,784</u>

As the securitization transaction under the Receivables Sales and Purchase Agreement for transferred rights on loans receivable with ATS Rabbit Special Purpose Vehicle Company Limited does not qualify to derecognition of financial assets according to the “Draft Accounting Guideline for Derecognition of Financial Assets and Liabilities” issued by the FAP, the Company continues to recognize the full carrying amount of these receivables and used as collateral of long-term borrowing under the securitization project (see Note 6.5).

As at February 29, 2016 and February 20, 2016, accounts receivable are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at February 29, 2016			As at February 20, 2016		
	Due within 1 year	Due after 1 year	Total	Due within 1 year	Due after 1 year	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	920,059	899,130	1,819,189	975,076	836,313	1,811,389
<u>Less</u> Unearned financing income	(138,944)	(43,693)	(182,637)	(141,558)	(42,797)	(184,355)
	781,115	855,437	1,636,552	833,518	793,516	1,627,034
<u>Less</u> Allowance for doubtful accounts	(53,804)	-	(53,804)	(53,706)	-	(53,706)
Hire-purchase and accrued interest receivable - net	727,311	855,437	1,582,748	779,812	793,516	1,573,328
<b>Loans receivable</b>						
Loans and accrued interest receivable	35,544,125	474,547	36,018,672	35,530,220	419,067	35,949,287
<u>Less</u> Allowance for doubtful accounts	(1,398,264)	-	(1,398,264)	(1,394,214)	-	(1,394,214)
Loans and accrued interest receivable - net	34,145,861	474,547	34,620,408	34,136,006	419,067	34,555,073
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	25,327,203	-	25,327,203	25,360,218	-	25,360,218
<u>Less</u> Allowance for doubtful accounts	(959,900)	-	(959,900)	(955,360)	-	(955,360)
Credit card and accrued interest receivable - net	24,367,303	-	24,367,303	24,404,858	-	24,404,858
<b>Receivable from rendering</b>						
the collection service	87,664	-	87,664	70,913	-	70,913
<b>Receivable from insurance broker business</b>	232,209	-	232,209	119,098	-	119,098
<b>Total accounts receivable</b>	59,560,348	1,329,984	60,890,332	59,510,687	1,212,583	60,723,270

	SEPARATE FINANCIAL STATEMENTS					
	As at February 29, 2016			As at February 20, 2016		
	Due within 1 year	Due after 1 year	Total	Due within 1 year	Due after 1 year	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	641,045	301,449	942,494	651,243	295,525	946,768
<u>Less</u> Unearned financing income	(138,944)	(43,693)	(182,637)	(141,558)	(42,797)	(184,355)
	502,101	257,756	759,857	509,685	252,728	762,413
<u>Less</u> Allowance for doubtful Accounts	(32,842)	-	(32,842)	(32,817)	-	(32,817)
Hire-purchase and accrued interest receivable - net	469,259	257,756	727,015	476,868	252,728	729,596

SEPARATE FINANCIAL STATEMENTS

	As at February 29, 2016			As at February 20, 2016		
	Due within 1 year	Due after 1 year	Total	Due within 1 year	Due after 1 year	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Loans receivable</b>						
Loans and accrued interest receivable	35,188,282	360,098	35,548,380	35,177,204	322,094	35,499,298
<u>Less</u> Allowance for doubtful Accounts	<u>(1,391,862)</u>	<u>-</u>	<u>(1,391,862)</u>	<u>(1,387,837)</u>	<u>-</u>	<u>(1,387,837)</u>
Loans and accrued interest receivable – net	<u>33,796,420</u>	<u>360,098</u>	<u>34,156,518</u>	<u>33,789,367</u>	<u>322,094</u>	<u>34,111,461</u>
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	23,385,747	-	23,385,747	23,437,191	-	23,437,191
<u>Less</u> Allowance for doubtful accounts	<u>(849,602)</u>	<u>-</u>	<u>(849,602)</u>	<u>(845,464)</u>	<u>-</u>	<u>(845,464)</u>
Credit card and accrued interest receivable - net	<u>22,536,145</u>	<u>-</u>	<u>22,536,145</u>	<u>22,591,727</u>	<u>-</u>	<u>22,591,727</u>
<b>Total accounts receivable</b>	<u>56,801,824</u>	<u>617,854</u>	<u>57,419,678</u>	<u>56,857,962</u>	<u>574,822</u>	<u>57,432,784</u>

6.2 Quality of assets

Accounts receivable as at February 29, 2016 and February 20, 2016, classified by aging, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000
Less than 3 months	61,210,162	61,020,860	57,725,400	57,717,034
3 months up	<u>2,092,138</u>	<u>2,105,690</u>	<u>1,968,584</u>	<u>1,981,868</u>
Total	63,302,300	63,126,550	59,693,984	59,698,902
<u>Less</u> Allowance for doubtful accounts	<u>(2,411,968)</u>	<u>(2,403,280)</u>	<u>(2,274,306)</u>	<u>(2,266,118)</u>
Total accounts receivable	<u>60,890,332</u>	<u>60,723,270</u>	<u>57,419,678</u>	<u>57,432,784</u>

6.3 Troubled debt restructuring

For the period from February 21 to 29, 2016 and for the year ended February 20, 2016, the Company had recognized interest income on restructured debts totaling Baht 4.90 million and Baht 219.23 million, respectively.

The Company had the outstanding balances of credit card receivables, hire-purchase receivables and loan receivables as at February 29, 2016 and February 20, 2016, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at February 29, 2016		As at February 20, 2016	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	51,527	1,671,702	49,423	1,676,027
Non-restructured accounts receivable	3,619,821	61,310,725	3,557,477	61,260,512
Total	<u>3,671,348</u>	<u>62,982,427</u>	<u>3,606,900</u>	<u>62,936,539</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at February 29, 2016		As at February 20, 2016	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	51,527	1,671,702	49,423	1,676,027
Non-restructured accounts receivable	3,346,756	58,022,282	3,286,339	58,022,875
Total	<u>3,398,283</u>	<u>59,693,984</u>	<u>3,335,762</u>	<u>59,698,902</u>

As at February 29, 2016 and February 20, 2016, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

#### 6.4 Allowance for doubtful accounts

Allowance for doubtful accounts as at February 29, 2016 and February 20, 2016, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 29, 2016	As at February 20, 2016	As at February 29, 2016	As at February 20, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	2,403,280	2,428,472	2,266,118	2,299,614
Bad debts and doubtful accounts	8,688	4,754,037	8,188	4,515,045
Gain on devaluation of long-term borrowings under securitization project	-	-	-	(7,687)
Written-off bad debts		(4,779,229)		(4,540,854)
Ending balance	<u>2,411,968</u>	<u>2,403,280</u>	<u>2,274,306</u>	<u>2,266,118</u>

#### 6.5 Transfers of financial assets

The Company entered into the Receivables Sale and Purchase Agreements with three Special Purposes Vehicle Companies, which were incorporated under the Civil and Commercial Code of Thailand to be special purpose vehicles (SPV) under the Royal Enactment on Special Purpose Juristic Persons for Securitization B.E. 2540 (1997). Under the securitization plan which was approved by the SEC, the Company sold an amount of revolving receivables and the SPV also appointed the Company

to act as the servicer responsible for collecting payments from its obligor under the Receivables Sale and Purchase Agreements and Servicing Agreements.

Details of aforementioned sales of receivables are summarized as follows:

		<b>Eternal 5*</b>	<b>Eternal 6**</b>	<b>ATS Rabbit***</b>
Approved date of the securitization projects by the Office of the Securities and Exchange Commission of Thailand ("the SEC")		May 19, 2010	May 10, 2013	October 2, 2015
Initial selling date		May 20, 2010	May 20, 2013	October 29, 2015
Type of transferred receivables		Credit Card Receivable	Credit Card Receivable	Loan Receivable
Revolving period		May 2010 - April 2015 (approximately)	April 2013 - April 2018 (approximately)	October 2015 - October 2025 (approximately)
<b>Initial sales of receivables</b>				
Net book value of initial receivables	Baht	4,355,040,449	4,500,002,090	456,076,200
Proceeds from transfer of the right of receivables	Baht	2,790,000,000	2,960,000,000	433,272,390
Subordinated lendings (see Note 12)	Baht	1,438,000,000	1,399,351,988	50,081,313
Minimum seller loan - pari passu with debentures (see Note 11)	Baht	126,840,000	130,780,560	None
Number of contracts		205,485	183,047	49,225
Average principal amount outstanding	Baht	21,194	24,584	9,265
Interest rate		20% p.a.	20% p.a.	28% p.a.

\* Eternal 5 Special Purpose Vehicle Company Limited (Subsidiary)

\*\* Eternal 6 Special Purpose Vehicle Company Limited (Subsidiary)

\*\*\* ATS Rabbit Special Purpose Vehicle Company Limited (Subsidiary)

The Company does not recognize other assets obtained in the transfer of financial assets including retained interests on the financial statements because it is not practical to estimate their reliable fair values.

On May 10, 2013, Eternal 5 redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and debentures, and the Company repurchased all outstanding receivables from Eternal 5 which led to the end of the securitization project of Eternal 5 on the same date. As at August 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 5 had passed the resolutions to approve the dissolution and liquidation, and Eternal 5 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 5 is under the liquidation process (see Note 10.2).

During the life of the securitization projects, the Company may repurchase the rights on the Purchased Receivables with Eternal 5 and Eternal 6, in the following circumstances:

1. When the Company has breached its representations and warranties with respect to the Purchased Receivables which are ineligible. The Company is obliged to repurchase such ineligible receivables on the next Monthly Purchase Date.

2. On a Monthly Purchase Date, the Company may exercise its option to repurchase any Purchased Receivables which become a defaulted receivable on the Collection Period End Date immediately preceding such Monthly Purchase Date.
3. The Company, as the collection agent, may exercise the Clean up Call Option for repurchase of remaining Purchased Receivables whenever the continued servicing of the Purchase Receivables is deemed to be burdensome.
4. The Company may exercise the Tax Redemption Option for repurchase of remaining Purchased Receivables, where there is incurred taxes other than corporate income tax and special business tax.

On October 22, 2015, the Company entered into the Receivables Sale and Purchase Agreement with ATS Rabbit Special Purpose Vehicle Company Limited which was registered as a special purpose vehicle company under the Civil and Commercial Code of Thailand for the purpose of implementing or facilitating the securitization in accordance with the securitization projects approved by the Office of the Securities and Exchange Commission of Thailand (“the SEC”) on October 2, 2015 for transferred rights, title, interest and benefits in respect of the Initial Receivables, the Future Receivables and the Additional Receivables on the term of the Agreement.

Under the agreement, the purchase price of the Initial Receivables equal to the net book value of receivables as of October 29, 2015 of Baht 456.08 million. As at October 29, 2015, the Company received cash proceeds of Baht 433.27 million and the remaining balance of Baht 22.81 million was paid by entering into a subordinated loan agreement of Baht 25.04 million (see Note 10). The revolving sale and purchase period of Future Receivables and Additional Receivables commenced from October 30, 2015 and will be terminated in October 2025, approximately.

During the life of the securitization projects, the Company may repurchase the rights on the Purchased Receivables with ATS Rabbit in the following circumstances:

1. When the Company has breached its representations and warranties with respect to the Purchased Receivables which are ineligible. The Company is obliged to repurchase such ineligible receivables on the next Monthly Purchase Date.
2. The Company, as the collection agent, may exercise the Clean up Call Option for repurchase of remaining Purchased Receivables whenever the continued servicing of the Purchase Receivables is deemed to be burdensome.
3. The Company may exercise the Tax Redemption Option for repurchase of remaining Purchased Receivables, where there is incurred taxes other than corporate income tax and special business tax.

The key financial information of Special Purpose Vehicle Companies are summarized as follows:

	Eternal 5* Baht '000	Eternal 6* Baht '000	ATS Rabbit* Baht '000
<b>Statements of financial position</b>			
<b>As of February 29, 2016</b>			
Total assets	44	5,034,169	652,945
Total liabilities	-	5,034,125	638,865
Total shareholders' equity	44	44	14,080
<b>As of February 20, 2016</b>			
Total assets	44	4,978,286	638,501
Total liabilities	-	4,978,242	623,078
Total shareholders' equity	44	44	15,423
<b>Statement of profit or loss</b>			
<b>For the period from February 21 to 29, 2016</b>			
Total income	-	24,165	4,335
Bad debts and doubtful accounts	-	403	-
Other operating expenses	-	7,386	861
Interest expenses	-	6,507	5,048
Income tax expense (revenue)	-	1,974	(231)
Net profit (loss)	-	7,895	(1,343)
<b>For the year ended February 20, 2016</b>			
Total income	-	1,044,201	49,370
Bad debts and doubtful accounts	-	214,640	7,687
Other operating expenses	-	320,263	12,546
Interest expenses	-	284,668	10,008
Income tax expense	-	45,266	3,745
Net profit	-	179,364	15,384

\* Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6) and ATS Rabbit Special Purpose Vehicle Company Limited are the Company's subsidiaries (see Notes 3.4 and 10.2).

For the period from February 21 to 29, 2016 and for the year ended February 20, 2016, transactions relating to the transfer of financial assets under the securitization projects are summarized as follows:

	<b>For the period from February 21-29, 2016 Million Baht</b>	<b>For the year ended February 20, 2016 Million Baht</b>
Transfers of future credit card receivables (at book value)		
- Credit card receivable (Eternal 6)	134	6,084
- Loan receivable (ATS Rabbit)	16	281
	<u>150</u>	<u>6,365</u>
Cash collection on behalf of Special Purpose Vehicles		
- Credit card receivable (Eternal 6)	143	7,311
- Loan receivable (ATS Rabbit)	22	244
	<u>165</u>	<u>7,555</u>



	<b>For the period from February 21-29, 2016 Million Baht</b>	<b>For the year ended February 20, 2016 Million Baht</b>
Servicing income on cash collection from Special Purpose Vehicles		
- Credit card receivable (Eternal 6)	6	267
- Loan receivable (ATS Rabbit)	1	9
	<u>7</u>	<u>276</u>

As at February 29, 2016 and February 20, 2016, the outstanding receivables sold to Special Purpose Vehicles which are eliminated against long-term debentures in the consolidated financial statements and managed by the Company classified by aging are as follows:

	<b>As at February 29, 2016 Million Baht</b>	<b>As at February 20, 2016 Million Baht</b>
Credit card receivables (included accrued interest income) - Eternal 6		
Less than 3 months	4,225	4,207
3 months up	95	95
	<u>4,320</u>	<u>4,302</u>
<u>Less</u> Allowance for doubtful accounts	(110)	(110)
Total	<u>4,210</u>	<u>4,192</u>

## 7. OTHER RECEIVABLES

Other receivables as at February 29, 2016 and February 20, 2016, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	As at	As at	As at	As at
	February 29, 2016	February 20, 2016	February 29, 2016	February 20, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
Other receivable - related parties (see Note 32.2.1)	5,815	5,864	154,712	129,405
Other receivable - other companies	740,997	132,395	684,684	89,254
Prepaid expenses	63,200	62,138	40,311	40,254
Advance payment	-	13,523	518	237
Accrued income	-	-	208	159
Total	<u>810,012</u>	<u>213,920</u>	<u>880,433</u>	<u>259,309</u>

## 8. SHORT-TERM LOAN TO A RELATED PARTY

As at February 29, 2016 and February 20, 2016, the Company has short-term loan to a subsidiary amounting to Baht 100 million. The loan can be called to repay within 30 days after receiving written notice. The loan is unsecured and have interest rate at monetary policy committee of the Bank of Thailand plus margin of 0.5% per annum.

## 9. FIXED DEPOSITS AT BANK UNDER OBLIGATION

As at February 29, 2016 and February 20, 2016, the 4 subsidiaries have fixed deposits at banks under obligations as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000
Pledge as collateral for Bank's letters of guarantee issued for debt collection service	892	892
Reserve in accordance with insurance regulations	3,000	3,000
Legal reserve of the foreign subsidiaries	30,345	30,281
Total	<u>34,237</u>	<u>34,173</u>

## 10. INVESTMENTS IN ASSOCIATE, SUBSIDIARIES AND LONG-TERM INVESTMENTS IN RELATED COMPANIES

Investments in associate, subsidiaries and long-term investments in related companies consist of:

### 10.1 Investment in associate in the consolidated financial statements

As at February 29, 2016 and February 20, 2016, the Company had investment in the entity which is associate and accounted for equity method in the consolidated financial statements.

	Paid-up Capital	% of Ownership	CONSOLIDATED FINANCIAL STATEMENTS			
			For the period from February 21-29, 2016		For the year ended February 20, 2016	
			Investment (Cost method) Baht '000	Investment (Equity method) Baht '000	Investment (Cost method) Baht '000	Investment (Equity method) Baht '000
<b>Investment in associate</b>						
ACS Trading Vietnam Company Limited	VND 50,000 million	20.00	16,819.3	41,245.2	16,819.3	41,212.4
<b>Total investment in associate</b>			<u>16,819.3</u>	<u>41,245.2</u>	<u>16,819.3</u>	<u>41,212.4</u>

The summarized financial information of an associated company are as follows:

**ACS Trading Vietnam Company Limited**

	<b>As at February 29, 2016 Baht '000</b>	<b>As at February 20, 2016 Baht '000</b>
Total assets	1,787,817	1,774,912
Total liabilities	<u>1,571,703</u>	<u>1,558,963</u>
	<b>For the period from February 21-29, 2016 Baht '000</b>	<b>For the year ended February 20, 2016 Baht '000</b>
Total revenues	14,891	571,951
Net profit	<u>164</u>	<u>19,887</u>

The consolidated statement of profit or loss for the period from February 21 to 29, 2016 and for the year ended February 20, 2016 recognized share of profit (loss) from investment in associate resulting from portion of holding of investment in associate as following:

	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
	<b>For the period from February 21-29, 2016 Baht '000</b>	<b>For the year ended February 20, 2016 Baht '000</b>
<b>Share of profit (loss) from investment in associate</b>		
ACS Trading Vietnam Company Limited	<u>33</u>	<u>3,978</u>

Reconciliation of the above summarized financial information to the carrying amount of the interest in an associate recognized in the consolidated financial statements was as follows:

	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
	<b>For the period from February 21-26, 2016 Baht '000</b>	<b>For the year ended February 20, 2016 Baht '000</b>
Net assets of an associate	216,114	215,949
Proportion of the ownership interest in an associate (%)	<u>20.00</u>	<u>20.00</u>
	43,223	43,190
Goodwill		
Other adjustments		
- Exchange differences on translating financial statement of a foreign operation	<u>(1,978)</u>	<u>(1,978)</u>
Carrying amount of the interest in an associate	<u>41,245</u>	<u>41,212</u>

## 10.2 Investments in associate and subsidiaries in the separate financial statements

As at February 29, 2016 and February 20, 2016, the Company had investments in associate and subsidiaries which are accounted for cost method in the separate financial statements as follows:

	SEPARATE FINANCIAL STATEMENTS			
	As at February 29, 2016		As at February 20, 2016	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
<b>Investment in associate and subsidiaries</b>				
Investment in associate (see Note 32.1)				
ACS Trading Vietnam Company Limited	20.00	16,819.3	20.00	16,819.3
<b>Total investment in associate</b>		<u>16,819.3</u>		<u>16,819.3</u>
Investments in subsidiaries (see Note 32.1)				
Eternal 5 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
Eternal 6 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
ATS Rabbit Special Purpose Vehicle Company Limited	48.75	19.5	48.75	19.5
AEON Specialized Bank (Cambodia) Plc.	80.00	252,960.0	80.00	252,960.0
AEON Insurance Service (Thailand) Company Limited	100.00	149,224.3	100.00	149,224.3
ACS Servicing (Thailand) Company Limited	100.00	175,349.1	100.00	175,349.1
AEON Microfinance (Myanmar) Company Limited	100.00	276,769.1	100.00	276,769.1
AEON Leasing Service (Lao) Company Limited	92.58	103,069.1	92.58	103,069.1
<b>Total investments in subsidiaries</b>		<u>957,411.9</u>		<u>957,411.9</u>
<b>Total investments in associate and subsidiaries</b>		<u>974,231.2</u>		<u>974,231.2</u>

- (1) As at August 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 5 had passed the resolutions to approve the liquidation and dissolution and Eternal 5 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 5 is under the liquidation process (see Note 6.5).
- (2) On June 4, 2015, the Company paid Baht 134.80 million for additional investment for capital increase of AEON Specialized Bank (Cambodia) Plc. The Company holds 80% of shareholding in the subsidiary after capital increased.
- (3) During the years ended February 20, 2016 and 2015, the Company paid Baht 100.57 million and Baht 97.31 million, respectively, for additional investment for capital increase of AEON Microfinance (Myanmar) Company Limited.
- (4) On September 30, 2015, the Company paid Baht 1.78 million for purchasing additional investment of AEON Leasing Service (Lao) Company Limited from non-controlling interests. The Company directly holds 92.58% of shareholding in the subsidiary after additional investment.

- (5) On February 2, 2015, the Company entered into a Memorandum of Understanding regarding the cooperation between the Company and BTS Group Holdings Public Company Limited (“BTSG”) and Bangkok Smartcard System Company Limited (“BSS”) (a subsidiary of BTSG), for the joint issue of member card under the Co-Branded Rabbit Program and setting up a special purpose vehicle for the securitization project, the purpose of securitization through the establishment of a special purpose vehicle in a form of cooperation framework between the Company and BSS Holdings Company Limited (“BSS Holdings”) (a subsidiary of BTSG), in accordance with the resolution passed at the meeting of the Board of Directors No. 10/2014, held on December 24, 2014.

Subsequently, on March 20, 2015, ATS Rabbit Special Purpose Vehicle Company Limited, has registered as a special purpose company for securitization project under the Civil and Commercial Code of Thailand with a registered capital of Baht 40,000, consisting of 2 preferred shares with a par value of Baht 100 per share and 398 ordinary shares with a par value of Baht 100 per share. The Company invested in ordinary shares and preferred share of ATS Rabbit Special Purpose Vehicle Company Limited in the amount of Baht 19,500. Such company got an approval for the securitization project from the SEC on October 2, 2015 (see Note 6.5).

According to the Memorandum of Understanding, the Receivables Sales and Purchase Agreement and the Servicing Agreement made on October 22, 2015 (see Note 6.5), the Company has power to appoint the board of directors and rights to provide certain service which is significantly impacted by the performance of underlying assets and has rights to get variable return from such company under securitization project. Therefore, the Company concluded that the Company has the power to control over such company, and the consolidated financial statements of the Company included such company’s operating results.

10.3 Long-term investments in related companies as at February 29, 2015 and February 20, 2016, consist of:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at February 29, 2016		As at February 20, 2016	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
<b>Long-term investments in related companies</b>				
AEON (Thailand) Co., Ltd. (340,000 shares of Baht 100 each, Baht 25 called up)	5.23	8,500	5.23	8,500
PT. AEON Credit Service Indonesia (173 shares of IDR 30 million each, par value of IDR 30 million, fully paid)	5.18	19,072	5.18	19,072
AEON Credit Service Systems (Philippines) Inc. (100,000 shares of PHP 100 each, par value of PHP 100, fully paid)	10.00	7,645	10.00	7,645
		35,217		35,217
<u>Less</u> Allowance for impairment of investment		(8,500)		(8,500)
<b>Total long-term investments in related companies</b>		<u>26,717</u>		<u>26,717</u>

**11. SELLER LOANS IN SPECIAL PURPOSE VEHICLES FOR SECURITIZATION**

Seller loans in Special Purpose Vehicles for securitization as at February 29, 2016 and February 20, 2016, are as follows:

	SEPARATE FINANCIAL STATEMENTS	
	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000
Seller loan in Special Purpose Vehicle for securitization (see Note 32.2.1)		
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	2,493,858	2,464,756
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	62,817	48,582
Total	2,556,675	2,513,338
<u>Less</u> Seller loan amounts in Special Purpose Vehicles for securitization due within one year	(2,556,675)	(2,153,338)
<b>Total Seller loan in Special Purpose Vehicle for Securitization</b>	-	-

(1) Seller loans in Special Purpose Vehicles for securitization - Eternal 6

On the contract date under securitization project, the Company received partial payments from Eternal 6 with seller loan accounts under securitization project of Baht 140,650,102, which are non-subordinated and ranked in order of priority pari passu with payments of principal in respect of the debentures. The aggregate seller loan accounts will increase from partial payments of such Special Purpose Vehicle Company for purchase of Future Receivables and Additional Receivables when such Special Purpose Vehicle Company's net cash flow generated by the Purchased Receivables is insufficient. Seller loan accounts are reduced by the repurchase of ineligible receivables and the receipt of the excess cash from such Special Purpose Vehicle Company. However, the Company has to retain such Seller loan Minimum Amounts on Eternal 6 not less than 3% of the aggregate of the outstanding principal amounts of the debentures and the subordinated loans of Eternal 6 of which such amounts will be repaid by cash approximately within 2018 or when these projects end.

(2) Seller loans in Special Purpose Vehicles for securitization - ATS Rabbit

Subsequent to the sale of the rights on initial loan receivables under securitization project, the Company received partial payments from ATS Rabbit with seller loan accounts under securitization project for sale of additional revolving loan receivables during the revolving period or repurchased the rights on loan receivables. Such Seller loan accounts will decrease from cash repayment when the outstanding amount reaches or exceeds determined level or the duration after the closing date reaches determined every 3-month period as agreed in the agreement.

## 12. SUBORDINATED LENDINGS AND SUBORDINATED BORROWINGS

12.1 Subordinated lendings with Special Purpose Vehicles as at February 29, 2016 and February 20, 2016, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000
Subordinated lendings (see Note 32.2.1)		
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	1,399,352	1,399,352
<u>Less</u> Subordinated lendings due within one year	<u>(1,399,352)</u>	<u>(1,399,352)</u>
<b>Total Subordinated lendings</b>	<b><u>-</u></b>	<b><u>-</u></b>
	SEPARATE FINANCIAL STATEMENTS	
	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000
Subordinated lendings (see Note 32.2.1)		
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	1,399,352	1,399,352
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	<u>29,870</u>	<u>29,870</u>
Total	1,429,222	1,429,222
<u>Less</u> Subordinated lendings due within one year	<u>(1,399,352)</u>	<u>(1,399,352)</u>
<b>Total subordinated lendings</b>	<b><u>29,870</u></b>	<b><u>29,870</u></b>

On May 14, 2013, the Company entered into the subordinated bridging loan agreement with Eternal 6 amounting to Baht 1,399,351,988 for the purpose of partial payment of the Initial Credit Card Receivables from Eternal 6 under the provision of the Receivable Sale Agreement (see Note 6.5). The interest was received on the monthly basis at the rate of 12% per annum. Subsequently, such bridging loan was refinanced to be subordinated term loan in October 2013 in accordance with such Bridging Loan Agreement. The term loan is due in the year 2018 and the interest is received on the monthly basis at the rate of 12% per annum.

On October 22, 2015, the Company entered into the subordinated term loan agreement with ATS Rabbit amounting to 5% of debentures issued for the purpose of partial payment of the Initial Loan Receivables from ATS Rabbit under the provision of the Receivable Sale Agreement (see Note 6.5). The term loan is due in the year 2025 and the interest is received on the monthly basis at the rate of 12% per annum.

12.2 Subordinated borrowings in Special Purpose Vehicle as at February 29, 2016 and February 20, 2016, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000
Subordinated borrowings		
ATS Rabbit Special Purpose Vehicle Company Limited (ATC Rabbit)	29,870	29,870
<b>Total subordinated borrowings</b>	<u>29,870</u>	<u>29,870</u>

On October 22, 2015, ATS Rabbit, a subsidiary, entered into the subordinated term loan agreement with BSS Holdings amounting to 5% of debentures issued for the purpose of partial payment of the Initial Loan Receivables under the provision of the Receivable Sale Agreement. The term loan is due in the year 2025 and the interest is paid on the monthly basis at the rate of 12% per annum.

### 13. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at February 29, 2016 and February 20, 2016, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000
Cost	3,122,322	3,119,253	2,537,737	2,535,187
Accumulated depreciation	<u>(2,172,590)</u>	<u>(2,165,482)</u>	<u>(1,820,220)</u>	<u>(1,814,863)</u>
Total leasehold improvement and equipment	<u>949,732</u>	<u>953,771</u>	<u>717,517</u>	<u>720,324</u>



The movements of leasehold improvement and equipment during the period/year are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance	Additions	Disposals	Transfer	Balance
	as at			in (out)	as at
	February 20,				February 29,
	2016				2016
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Cost</b>					
Leasehold improvement	962,343	230	-	-	962,573
Furniture and office equipment	2,125,923	3,552	(686)	48	2,128,837
Assets under installation	30,987	-	(27)	(48)	30,912
	<u>3,119,253</u>	<u>3,782</u>	<u>(713)</u>	<u>-</u>	<u>3,122,322</u>
<b>Accumulated depreciation</b>					
Leasehold improvement	(515,504)	(3,188)	-	-	(518,692)
Furniture and office equipment	(1,649,978)	(4,600)	680	-	(1,653,898)
	<u>(2,165,482)</u>	<u>(7,788)</u>	<u>680</u>	<u>-</u>	<u>(2,172,590)</u>
<b>Total leasehold improvement and equipment</b>	<u>953,771</u>				<u>949,732</u>

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance	Additions	Disposals	Transfer	Balance
	as at			in (out)	as at
	February 20,				February 20,
	2015				2016
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Cost</b>					
Leasehold improvement	893,355	34,216	(72,135)	106,907	962,343
Furniture and office equipment	2,089,482	136,009	(109,826)	10,258	2,125,923
Assets under installation	47,838	100,314	-	(117,165)	30,987
	<u>3,030,675</u>	<u>270,539</u>	<u>(181,961)</u>	<u>-</u>	<u>3,119,253</u>
<b>Accumulated depreciation</b>					
Leasehold improvement	(450,365)	(136,268)	71,129	-	(515,504)
Furniture and office equipment	(1,550,533)	(206,504)	107,059	-	(1,649,978)
	<u>(2,000,898)</u>	<u>(342,772)</u>	<u>178,188</u>	<u>-</u>	<u>(2,165,482)</u>
<b>Total leasehold improvement and equipment</b>	<u>1,029,777</u>				<u>953,771</u>

	SEPARATE FINANCIAL STATEMENTS				
	Balance	Additions	Disposals	Transfer	Balance
	as at			in (out)	as at
	February 20,				February 29,
	2016				2016
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Cost</b>					
Leasehold improvement	815,031	64	-	-	815,095
Furniture and office equipment	1,689,169	3,200	(687)	49	1,691,731
Assets under installation	30,987	-	(27)	(49)	30,911
	<u>2,535,187</u>	<u>3,264</u>	<u>(714)</u>	<u>-</u>	<u>2,537,737</u>
<b>Accumulated depreciation</b>					
Leasehold improvement	(441,905)	(2,721)	-	-	(444,626)
Furniture and office equipment	(1,372,958)	(3,316)	680	-	(1,375,594)
	<u>(1,814,863)</u>	<u>(6,037)</u>	<u>680</u>	<u>-</u>	<u>(1,820,220)</u>
<b>Total leasehold improvement and equipment</b>	<u>720,324</u>				<u>717,517</u>

	SEPARATE FINANCIAL STATEMENTS					
	Balance as at February 20, 2015	Additions	Disposals	Transfer in (out)	Balance as at February 20, 2016	
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
	<b>Cost</b>					
	Leasehold improvement	804,014	24,770	(120,660)	106,907	815,031
Furniture and office equipment	1,844,370	101,511	(266,970)	10,258	1,689,169	
Assets under installation	47,838	100,314	-	(117,165)	30,987	
	<u>2,696,222</u>	<u>226,595</u>	<u>(387,630)</u>	<u>-</u>	<u>2,535,187</u>	
<b>Accumulated depreciation</b>						
Leasehold improvement	(429,991)	(109,570)	97,656	-	(441,905)	
Furniture and office equipment	(1,415,915)	(157,003)	199,960	-	(1,372,958)	
	<u>(1,845,906)</u>	<u>(266,573)</u>	<u>297,616</u>	<u>-</u>	<u>(1,814,863)</u>	
<b>Total leasehold improvement and equipment</b>	<u>850,316</u>				<u>720,324</u>	

  

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		
	For the period from February 21-29, 2016	For the year ended February 20, 2016	For the period from February 21-29, 2016	For the year ended February 20, 2016	
	Baht '000	Baht '000	Baht '000	Baht '000	
	<b>Depreciation for the period/year</b>	<u>7,788</u>	<u>342,772</u>	<u>6,037</u>	<u>266,573</u>

Costs of fully depreciated leasehold improvement and equipment still in use as at February 29, 2016 and February 20, 2016, are as following:

	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000
Consolidated financial statements	<u>1,280,744</u>	<u>1,280,744</u>
Separate financial statements	<u>1,267,707</u>	<u>1,267,707</u>

#### 14. INTANGIBLE ASSETS

Intangible assets as at February 29, 2016 and February 20, 2016, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		
	As at February 29, 2016	As at February 20, 2016	As at February 29, 2016	As at February 20, 2016	
	Baht '000	Baht '000	Baht '000	Baht '000	
	Cost	3,423,864	3,423,508	3,065,627	3,065,627
	Accumulated amortization	<u>(2,773,430)</u>	<u>(2,767,983)</u>	<u>(2,570,533)</u>	<u>(2,565,638)</u>
<b>Total intangible assets</b>	<u>650,434</u>	<u>655,525</u>	<u>495,094</u>	<u>499,989</u>	

The movements of intangible assets during the period/year are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance	Additions	Disposals/ Write-off	Transfer	Balance
	as at			in (out)	as at
	February 20, 2016				February 29, 2016
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Cost</b>					
Computer software	3,283,895	356	-	-	3,284,251
Computer software under installation	139,613	-	-	-	139,613
	<u>3,423,508</u>	<u>356</u>	<u>-</u>	<u>-</u>	<u>3,423,864</u>
<b>Accumulated amortization</b>					
Computer software	(2,767,983)	(5,447)	-	-	(2,773,430)
<b>Total intangible assets</b>	<u>655,525</u>				<u>650,434</u>

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance	Additions	Disposals/ Write-off	Transfer	Balance
	as at			in (out)	as at
	February 20, 2015				February 20, 2016
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Cost</b>					
Computer software	3,053,068	39,809	(569)	191,587	3,283,895
Computer software under installation	217,021	114,179	-	(191,587)	139,613
	<u>3,270,089</u>	<u>153,988</u>	<u>(569)</u>	<u>-</u>	<u>3,423,508</u>
<b>Accumulated amortization</b>					
Computer software	(2,532,672)	(235,555)	244	-	(2,767,983)
<b>Total intangible assets</b>	<u>737,417</u>				<u>655,525</u>

	SEPARATE FINANCIAL STATEMENTS				
	Balance	Additions	Disposals/ Write-off	Transfer	Balance
	as at			in (out)	as at
	February 20, 2016				February 29, 2016
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Cost</b>					
Computer software	2,995,414	-	-	-	2,995,414
Computer software under installation	70,213	-	-	-	70,213
	<u>3,065,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,065,627</u>
<b>Accumulated amortization</b>					
Computer software	(2,565,638)	(4,895)	-	-	(2,570,533)
<b>Total intangible assets</b>	<u>499,989</u>				<u>495,094</u>

	SEPARATE FINANCIAL STATEMENTS				Balance as at February 20, 2016 Baht '000	
	Balance as at February 20, 2015 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000		
	<b>Cost</b>					
	Computer software	2,832,656	9,184	(37,069)		190,643
Computer software under installation	153,247	107,609	-	(190,643)	70,213	
	<u>2,985,903</u>	<u>116,793</u>	<u>(37,069)</u>	<u>-</u>	<u>3,065,627</u>	
<b>Accumulated amortization</b>						
Computer software	(2,372,537)	(204,014)	10,913	-	(2,565,638)	
<b>Total intangible assets</b>	<u>613,366</u>				<u>499,989</u>	

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		
	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000	
	<b>Amortization for the period/year</b>	5,447	235,555	4,895	204,014
		<u>5,447</u>	<u>235,555</u>	<u>4,895</u>	<u>204,014</u>

As at February 29, 2016 and February 20, 2016, costs of fully amortized computer software still in use are as following:

	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000
Consolidated financial statements	<u>2,101,562</u>	<u>2,101,562</u>
Separate financial statements	<u>2,086,667</u>	<u>2,086,667</u>

## 15. DEFERRED TAX ASSETS

Deferred tax assets as at February 29, 2016 and February 20, 2016, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		
	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000	
	<b>Deferred tax assets</b>				
	Allowance for doubtful accounts	481,107	479,374	454,861	453,224
Non-accrual of interest income	65,194	65,097	63,290	63,119	
Employee benefit obligation	17,803	17,693	11,934	11,866	
Others	28,856	28,456	28,339	27,939	
	<u>592,960</u>	<u>590,620</u>	<u>558,424</u>	<u>556,148</u>	

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 29, 2016	February 20, 2016	February 29, 2016	February 20, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	131,406	134,879	131,406	134,879
Others	2,455	2,447	-	-
	<u>133,861</u>	<u>137,326</u>	<u>131,406</u>	<u>134,879</u>
<b>Deferred tax assets</b>	<u>459,099</u>	<u>453,294</u>	<u>427,018</u>	<u>421,269</u>

The movements of deferred tax assets and liabilities during the period/year are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance	Items as	Items as	Balance
	As at	recognized in	recognized	As at
	February 20, 2016	profit or loss	in other comprehensive income	February 29, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	479,374	1,733	-	481,107
Non-accrual of interest income	65,097	97	-	65,194
Employee benefit obligation	17,693	110	-	17,803
Others	28,456	400	-	28,856
	<u>590,620</u>	<u>2,340</u>	<u>-</u>	<u>592,960</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	134,879	(3,473)	-	131,406
Others	2,447	8	-	2,455
	<u>137,326</u>	<u>(3,465)</u>	<u>-</u>	<u>133,861</u>
<b>Deferred tax assets</b>	<u>453,294</u>	<u>5,805</u>	<u>-</u>	<u>459,099</u>

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance	Items as	Items as	Balance
	As at	recognized in	recognized	As at
	February 20, 2015	profit or loss	in other comprehensive income	February 20, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	485,057	(5,683)	-	479,374
Non-accrual of interest income	67,932	(2,835)	-	65,097
Employee benefit obligation	15,243	3,886	(1,436)	17,693
Others	23,469	4,987	-	28,456
	<u>591,701</u>	<u>355</u>	<u>(1,436)</u>	<u>590,620</u>
<b>Deferred tax liabilities</b>				
Finance lease	975	(975)	-	-
Unrealized loss on currency swap contracts	108,719	26,160	-	134,879
Others	783	1,664	-	2,447
	<u>110,477</u>	<u>26,849</u>	<u>-</u>	<u>137,326</u>
<b>Deferred tax assets</b>	<u>481,224</u>	<u>(26,494)</u>	<u>(1,436)</u>	<u>453,294</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance	Items as	Items as	Balance
	As at	recognized in	recognized	As at
	February 20, 2016	profit or loss	in other comprehensive income	February 29, 2016
Baht '000	Baht '000	Baht '000	Baht '000	
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	453,224	1,637	-	454,861
Non-accrual of interest income	63,119	171	-	63,290
Employee benefit obligation	11,866	68	-	11,934
Others	27,939	400	-	28,339
	<u>556,148</u>	<u>2,276</u>	<u>-</u>	<u>558,424</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	134,879	(3,473)	-	131,406
	<u>134,879</u>	<u>(3,473)</u>	<u>-</u>	<u>131,406</u>
<b>Deferred tax assets</b>	<u>421,269</u>	<u>5,749</u>	<u>-</u>	<u>427,018</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance	Items as	Items as	Balance
	As at	recognized in	recognized	As at
	February 20, 2015	profit or loss	in other comprehensive income	February 20, 2016
Baht '000	Baht '000	Baht '000	Baht '000	
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	459,923	(6,699)	-	453,224
Non-accrual of interest income	66,403	(3,284)	-	63,119
Employee benefit obligation	14,269	(728)	(1,675)	11,866
Others	22,889	5,050	-	27,939
	<u>563,484</u>	<u>(5,661)</u>	<u>(1,675)</u>	<u>556,148</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	108,719	26,160	-	134,879
	<u>108,719</u>	<u>26,160</u>	<u>-</u>	<u>134,879</u>
<b>Deferred tax assets</b>	<u>454,765</u>	<u>(31,821)</u>	<u>(1,675)</u>	<u>421,269</u>

## 16. OTHER NON-CURRENT ASSETS

Other non-current assets as at February 29, 2016 and February 20, 2016, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 29, 2016	February 20, 2016	February 29, 2016	February 20, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
Deposits	174,115	166,639	146,910	146,910
Others	4,280	9,262	3,675	4,357
<b>Total</b>	<u>178,395</u>	<u>175,901</u>	<u>150,585</u>	<u>151,267</u>

## 17. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term borrowings from financial institutions as at February 29, 2016 and February 20 2015, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at February 29, 2016		As at February 20, 2016	
	Interest rate %	Baht '000	Interest rate %	Baht '000
Overdrafts in THB currency	1.70	2,980,000	1.70	2,930,000
Short term borrowings in THB currency	1.60 - 1.85	3,810,000	1.60 - 1.85	3,080,000
Short term borrowings in USD currency	1.03 - 1.53	432,514	1.03 - 1.53	431,058
Short term borrowings in LAK currency	6.22 - 10.50	49,950	7.12 - 10.50	47,520
Short term borrowings in MMK currency	1.25	19,600	1.25	19,320
<b>Total</b>		<u>7,292,064</u>		<u>6,507,898</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at February 29, 2016		As at February 20, 2016	
	Interest rate %	Baht '000	Interest rate %	Baht '000
Overdrafts in THB currency	1.70	2,980,000	1.70	2,930,000
Short term borrowings in THB currency	1.60 - 1.85	3,810,000	1.60 - 1.85	3,080,000
<b>Total</b>		<u>6,790,000</u>		<u>6,010,000</u>

Short-term borrowings in THB and USD currency from financial institutions are borrowings from various financial institutions in the form of promissory notes and are unsecured.

## 18. OTHER PAYABLES

Other payables as at February 29, 2016 and February 20, 2016, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 29, 2016	As at February 20, 2016	As at February 29, 2016	As at February 20, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
Other payable - related parties (see Note 32.2.1)	45,059	58,771	832,419	830,574
Other payable - other companies	195,935	243,842	133,827	205,071
Deferred revenue from customer loyalty programmes	133,193	131,196	133,193	131,196
Interest payable	546,658	546,426	541,917	541,743
Accrued expenses	441,308	410,405	324,554	321,331
<b>Total</b>	<u>1,362,153</u>	<u>1,390,640</u>	<u>1,965,910</u>	<u>2,029,915</u>

## 19. LONG-TERM BORROWINGS

As at February 29, 2016 and February 20, 2016, the Company entered into various long-term borrowings agreements and issued promissory notes in Baht and foreign currencies as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
As at February 29, 2016				
	Due within the year	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2016 - 2021	3.16 - 5.26	50,700.00	16,198,092
Borrowings in USD currency	2016 - 2020	2.16 - 4.32	465.00	16,663,729
Borrowings in THB currency	2016 - 2018	3.30 - 4.80	8,150.00	8,150,000
<u>Less</u> Borrowings issuance cost				(101,029)
				40,910,792
<u>Less</u> Current portion of long-term Borrowings				(11,217,769)
<b>Total long-term borrowings</b>				<b>29,693,023</b>

CONSOLIDATED FINANCIAL STATEMENTS				
As at February 20, 2016				
	Due within the year	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2016 - 2021	3.16 - 5.26	50,700.00	15,993,011
Borrowings in USD currency	2016 - 2020	2.16 - 4.32	465.00	16,632,474
Borrowings in THB currency	2016 - 2018	3.30 - 4.80	7,700.00	7,700,000
<u>Less</u> Borrowings issuance cost				(102,560)
				40,222,925
<u>Less</u> Current portion of long-term Borrowings				(10,696,264)
<b>Total long-term borrowings</b>				<b>29,526,661</b>

SEPARATE FINANCIAL STATEMENTS				
As at February 29, 2016				
	Due within the year	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2016 - 2021	3.16 - 5.26	50,700.00	16,198,092
Borrowings in USD currency	2016 - 2020	2.60 - 4.32	455.00	16,299,966
Borrowings in THB currency	2016 - 2018	3.30 - 4.80	8,150.00	8,150,000
<u>Less</u> Borrowings issuance cost				(101,029)
				40,547,029
<u>Less</u> Current portion of long-term Borrowings				(11,217,769)
<b>Total long-term borrowings</b>				<b>29,329,260</b>

SEPARATE FINANCIAL STATEMENTS				
As at February 20, 2016				
	Due within the year	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2016 - 2021	3.16 - 5.26	50,700.00	15,993,011
Borrowings in USD currency	2016 - 2020	2.60 - 4.32	455.00	16,269,936
Borrowings in THB currency	2016 - 2018	3.30 - 4.80	7,700.00	7,700,000
<u>Less</u> Borrowings issuance cost				(102,200)
				39,860,747
<u>Less</u> Current portion of long-term Borrowings				(10,696,624)
<b>Total long-term borrowings</b>				<b>29,164,123</b>



In the consolidated and separate financial statements as at February 29, 2016 and February 20, 2016, the Company has long-term borrowings in JPY currency from a related company which is a bank in Japan amounting to JPY 5,000 million or equivalent to Baht 1,591.40 million and JPY 5,000 million or equivalent to Baht 1,571.14 million, respectively, with interest rate at 4.16% - 4.84% per annum which are unsecured and will be due in the year 2019 and 2021 (see Note 32.2.1).

To manage risk that might occur from the fluctuation in currency and interest rate, the Company has entered into interest rate swap contracts, cross currency swap contracts and cross currency interest rate swap contracts to hedge its debts as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 29, 2016				
	Notional amount Baht '000	Carrying amount		Total Baht '000
		Less than 1 year Baht '000	1 - 5 years Baht '000	
<b>Receivable per currency swap contracts</b>				
Cross Currency Swap Contracts				
JPY currency	5,691,625	-	514,525	514,525
USD currency	9,861,375	478,184	1,096,652	1,574,836
Cross Currency Interest Rate Swap Contracts				
JPY currency	945,000	-	13,467	13,467
USD currency	1,091,445	198,223	-	198,223
	<u>17,589,445</u>	<u>676,407</u>	<u>1,624,644</u>	<u>2,301,051</u>
<b>Payable per currency swap contracts</b>				
Cross Currency Swap Contracts				
JPY currency	9,232,000	(44,163)	(497,736)	(541,899)
USD currency	544,800	-	(7,439)	(7,439)
	<u>9,776,800</u>	<u>(44,163)</u>	<u>(505,175)</u>	<u>(549,338)</u>
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 20, 2016				
	Notional amount Baht '000	Carrying amount		Total Baht '000
		Less than 1 year Baht '000	1 - 5 years Baht '000	
<b>Receivable per currency swap contracts</b>				
Cross Currency Swap Contracts				
JPY currency	4,106,625	-	439,382	439,382
USD currency	9,861,375	472,640	1,075,532	1,548,172
Cross Currency Interest Rate Swap Contracts				
JPY currency	945,000	-	1,332	1,332
USD currency	1,091,445	195,847	-	195,847
	<u>16,004,445</u>	<u>668,487</u>	<u>1,516,246</u>	<u>2,184,733</u>
<b>Payable per currency swap contracts</b>				
Cross Currency Swap Contracts				
JPY currency	10,817,000	(57,107)	(602,596)	(659,703)
USD currency	544,800	-	(8,429)	(8,429)
	<u>11,361,800</u>	<u>(57,107)</u>	<u>(611,025)</u>	<u>(668,132)</u>

## 20. LONG-TERM BORROWINGS UNDER SECURITIZATION PROJECT

As at February 29, 2016 and February 20, 2016, the Company has recognized the cash received and was settled by the Subordinated lendings Account from the transferred rights on loan receivables under securitization project of ATS Rabbit Special Purpose Vehicle Company Limited (see Note 6.5) as long-term borrowings under securitization project in the separate financial statements in the amount of Baht 607.84 million, and Baht 593.57 million, respectively.

## 21. LONG-TERM DEBENTURES

Long-term debentures represent unsubordinated and unsecured debentures as at February 29, 2016 and February 20, 2016, are as follows:

Issue date	Maturity Date	No. of units	Currency	Par value per unit	Amount	Interest rate %	Term of interest payment	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000
<b>Company</b>									
14/07/2011	14/07/2016	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.30	Semi-annual	537,362	536,372
16/12/2011	16/12/2016	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.80	Semi-annual	716,482	715,162
30/08/2012	30/08/2017	30	USD	1,000,000	30,000,000	USD-LIBOR 3M	Quarterly	1,074,723	1,072,743
13/09/2012	13/09/2017	20	USD	1,000,000	20,000,000	USD-LIBOR 3M + 0.20	Quarterly	716,482	715,162
24/07/2013	29/07/2018	17	USD	1,000,000	17,000,000	USD-LIBOR 6M + 0.01	Semi-annual	609,010	607,888
29/11/2013	29/11/2018	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.05	Semi-annual	1,074,723	1,072,743
28/03/2014	28/03/2019	30	USD	1,000,000	30,000,000	USD-LIBOR 6M	Semi-annual	1,074,723	1,072,743
10/07/2014	10/07/2017	1,200,000	THB	1,000	1,200,000,000	4.43	Quarterly	1,200,000	1,200,000
26/09/2014	26/09/2017	15	USD	1,000,000	15,000,000	USD-LIBOR 6M	Semi-annual	537,362	536,372
27/03/2015	27/03/2019	22	JPY	100,000,000	2,200,000,000	JPY-TIBOR 6M + 0.36	Semi-annual	702,876	693,977
23/02/2016	21/02/2019	200,000	THB	1,000	200,000,000	2.87	Semi-annual	200,000	-
								8,443,743	8,223,162
<u>Less</u> Debenture issuance cost								(51,666)	(52,047)
								8,392,077	8,171,115
<u>Less</u> Current portion of long-term debentures								(1,250,021)	(1,247,563)
<b>Total long-term debentures in separate financial statements</b>								<b>7,142,056</b>	<b>6,923,552</b>
<b>ATS Rabbit Special Purpose Vehicle Company Limited</b>									
29/10/2015	28/10/2025	410,469	Baht	1,000	410,469,000	4.00	Monthly	410,469	410,469
18/01/2016	28/10/2025	86,936	Baht	1,000	86,936,000	4.00	Monthly	86,936	86,936
								497,405	497,405
<b>Total long-term debentures in consolidated financial statements</b>								<b>7,639,461</b>	<b>7,420,957</b>

- (1) On June 17, 2009, the Company's Annual General Meeting of shareholders of 2009 had the resolution for the issuance and offering of unsubordinated and unsecured debentures in an issuing amount not exceeding Baht 3,000 million. The currency, tenor, interest rate and other conditions will be considered and approved by the Board of Director's Meeting later when the Company is ready for the issuance and offering of debentures.

On July 14, 2011, the Company issued and offered debentures amounting to USD 15 million to a bank in Japan with interest rate of USD - LIBOR 6 month plus 0.30% per annum, payable on a semi-annual basis, and will be due on July 14, 2016. Such debenture is guaranteed by the same bank.

On December 16, 2011, the Company issued and offered debentures amounting to USD 20 million to a bank in Japan with interest rate of USD - LIBOR 6 month plus 0.80% per annum, payable on a semi-annual basis, and will be due on December 16, 2016. Such debenture is guaranteed by the same bank.

- (2) On June 14, 2012, the Company's Annual General Meeting of shareholders of 2012 had the resolution for the issuance and offering of unsubordinated and unsecured debentures. An issuing amount of the debentures is not to exceed Baht 3,000 million. The currency, tenor, interest rate and other conditions will be considered and approved by the Board of Director's Meeting later when the Company is ready for the issuance and offering of debentures.

On August 30, 2012, the Company issued and offered debenture amounting to USD 30 million to a bank in Japan with interest rate of USD - LIBOR 3 month per annum, payable on a quarterly basis, and will be due on August 30, 2017. Such debenture is guaranteed by the same bank.

On September 13, 2012, the Company issued and offered debenture amounting to USD 20 million to a bank in Japan with interest rate of USD - LIBOR 3 month plus 0.20% per annum, payable on a quarterly basis, and will be due on September 13, 2017. Such debenture is guaranteed by the same bank.

On November 29, 2013, the Company issued and offered debenture amounting to USD 30 million to a bank in Japan with interest rate of USD - LIBOR 6 month plus 0.05% per annum, payable on a semi-annual basis, and will be due on November 29, 2018. Such debenture is guaranteed by the same bank.

On December 24, 2013, the Board of Directors' meeting passed the resolution for the Issuance and Offering of debentures of unsubordinated and unsecured debentures in USD currency to offer for sale to a bank in Japan. The amounts of debentures to be issued are derived from the remaining unissuing balances of debentures from the resolution of the 2009 Annual General Meeting of Shareholders held on June 17, 2009 and the resolution of the 2012 Annual General Meeting of Shareholders held on June 14, 2012, totaling Baht 1,224 million. An issuing amount of the debentures is not to exceed Baht 1,200 million. Interest rate depends on market at time of offer and issuance. Authorized directors shall be empowered to consider conditions and other details for the issue and offering of the debentures.

On March 28, 2014, the Company issued and offered debenture amounting to USD 30 million to a bank in Japan with interest rate of USD - LIBOR 6 month per annum, payable on a semi-annual basis, and will be due on March 28, 2019. Such debenture is guaranteed by the same bank.

- (3) On December 25, 2012, the Board of Directors' meeting passed the resolution for the issuance and offering of debentures of unsubordinated and unsecured debentures in THB currency to offer for sale to general public or institutional investors. The amounts of debentures to be issued are derived from the remaining unissuing balances of debentures from the resolution of the 2005 Annual General Meeting of Shareholders held on June 9, 2005 and the resolution of the 2009 Annual General Meeting of Shareholders held on June 17, 2009, totaling Baht 2,950 million. An issuing amount of the debentures is not to exceed Baht 2,000 million. Interest rate depends on market at time of offer and issuance. Authorized directors shall be empowered to consider conditions and other details for the issue and offering of the debentures.

On July 24, 2013, the Company issued and offered debenture amounting to USD 17 million to a bank in Japan with interest rate of USD - LIBOR 6 month plus 0.01% per annum, payable on a semi-annual basis, and will be due on July 29, 2018. Such debenture is guaranteed by the same bank.

On July 10, 2014, the Company issued and offered debenture amounting to THB 1,200 million to a bank in Thailand with interest rate of 4.43% per annum, payable on a quarterly basis, and will be due on July 10, 2017.

- (4) On June 12, 2014, the Company's Annual General Meeting of shareholders of 2014 had the resolution for the Issuance and Offering of debentures. An issuing amount of the debentures is not to exceed Baht 8,000 million. The currency, tenor, interest rate and other conditions will be considered and approved by the Board of Director's Meeting later when the Company is ready for the issuance and offering of debentures.

On September 26, 2014, the Company issued and offered debenture amounting to USD 15 million to a bank in Japan with interest rate of USD - LIBOR 6 month per annum, payable on a semi-annual basis, and will be due on September 26, 2017. Such debenture is guaranteed by the same bank.

On March 27, 2015, the Company issued and offered debenture amounting to JPY 2,200 million to a bank in Japan with interest rate of JPY-TIBOR 6 month plus 0.36% per annum, payable on a semi-annual basis, and will be due on March 27, 2019. Such debenture is guaranteed by the same bank.

On February 25, 2016, the Company issued and offered debenture amounting to THB 200 million to a non-financial market mutual fund in Thailand with interest rate of 2.87% per annum, payable on a semi-annual basis, and will be due on February 21, 2018.

- (5) On October 29, 2015, ATS Rabbit Special Purpose Vehicle Company Limited, the Company's subsidiary, issued the long-term debentures which are unsubordinated and secured of Baht 410.47 million, for settlement the transfer rights in initial financial receivables of Baht 433.27 million, under the Securitization project (see Note 6.5).

Subsequently on January 18, 2016, such subsidiary issued additional long-term debentures which are unsubordinated and secured of Baht 86.94 million for settlement the transfer rights in future financial receivables and additional financial receivables under the Securitization project

Cash flows from a pool of loan receivables will be used to make payments for the debentures. Interest on the debentures will be payable monthly commencing on December 18, 2015.

Such subsidiary's debentures will be initially redeemed in 2023 and matured in 2025 with conditions to redeem before the maturity.

To manage risk that might occur from the fluctuation in currency and interest rate of long-term debentures in foreign currencies, the Company has entered into cross currency interest rate swap contracts to hedge its debt as follows:

<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>				
<b>As at February 29, 2016</b>				
<b>Notional amount</b>	<b>Carrying amount</b>			<b>Total</b>
	<b>Less than 1 year</b>	<b>1 - 5 years</b>	<b>1 - 5 years</b>	
<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
<b>Receivable per currency interest rate swap contracts</b>				
Cross Currency Interest Rate Swap Contracts				
JPY currency	596,860	-	106,016	106,016
USD currency	5,586,900	171,794	582,172	753,966
	<u>6,183,760</u>	<u>171,794</u>	<u>688,188</u>	<u>859,982</u>

<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>				
<b>As at February 20, 2016</b>				
<b>Notional Amount</b>	<b>Carrying amount</b>			<b>Total</b>
	<b>Less than 1 year</b>	<b>1 - 5 years</b>	<b>1 - 5 years</b>	
<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
<b>Receivable per currency interest rate swap contracts</b>				
Cross Currency Interest Rate Swap Contracts				
JPY currency	596,860	-	97,117	97,117
USD currency	5,586,900	169,484	572,800	742,284
	<u>6,183,760</u>	<u>169,484</u>	<u>669,917</u>	<u>839,401</u>

- (6) On May 20, 2013, Eternal 6 Special Purpose Vehicle Company Limited, the Company's subsidiary, issued the debentures of Baht 2,960 million (see Note 6.5), under the Securitization project. Cash flows from a pool of credit card receivables will be used to make payments for the debentures. Interest on the debentures will be payable monthly commencing on July 9, 2013.

The subsidiary's debentures as at February 29, 2016 and February 20, 2016, are as follows:

Debenture Classes	Maturity date	Amount	Interest rate	As at	As at
				February 29, 2016	February 20, 2016
		Baht' 000	%	Baht '000	Baht '000
<b>Eternal 6 Special Purpose Vehicle Co., Ltd.</b>					
ClassA-sf	June 8, 2018	2,960,000	3.83	980,079	980,079
				<u>980,079</u>	<u>980,079</u>

Such subsidiary's debentures are eliminated against credit card receivables in the consolidated financial statements.

As at February 29, 2016 and February 20, 2016, the Company has outstanding letters of credit issued by a bank in Japan for guarantee repayment of the subsidiary's debentures of not exceeding Baht 326.95 million (see Note 36.5).

## 22. EMPLOYEE BENEFIT OBLIGATIONS

The Company operates post-employment benefit plans under the Labor Protection Act, which are considered as unfunded defined benefits plans.

For the period from February 21 to 29, 2016 and for the year ended February 20, 2016, amounts recognized in the statements of profit or loss in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the period from February 21-29, 2016	For the year ended February 20, 2016	For the period from February 21-29, 2016	For the year ended February 20, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
Current service cost	478	19,278	299	12,669
Interest cost	46	2,542	44	1,826
Actuarial (gain) loss				
- From financial assumptions changes	-	3,874	-	4,063
- From demographic assumptions changes	-	(982)	-	(9,741)
- From experience adjustments	-	(12,187)	-	(2,698)
Loss on settlement	-	712	-	670
Total	<u>524</u>	<u>13,237</u>	<u>343</u>	<u>6,789</u>

Movements in the present value of the post-employment benefits obligation are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000
Beginning balance	88,466	76,220	59,329	71,346
Current service cost	478	19,278	299	12,669
Interest cost	46	2,542	44	1,826
Actuarial (gain) loss	-	(9,295)	-	(8,376)
Loss on settlement	-	712	-	670
Benefits paid	-	(991)	-	(18,806)
Ending balance	88,990	88,466	59,672	59,329

The significant actuarial assumptions used to calculate the obligation under the defined benefit plans as at February 29, 2016 and February 20, 2016, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at February 29, 2016 % per annum	As at February 20, 2016 % per annum
Financial assumptions		
Discount rate	2.74 - 3.32	2.74 - 3.32
Expected rate of salary increase	5.0 - 7.0	5.0 - 7.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 26.0	0.0 - 26.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 57.0	0.0 - 57.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees
Temporary staff	0.0 - 62.0	0.0 - 62.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees

	SEPARATE FINANCIAL STATEMENTS	
	As at February 29, 2016 % per annum	As at February 20, 2016 % per annum
Financial assumptions		
Discount rate	3.02	3.02
Expected rate of salary increase	5.0	5.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 21.0	0.0 - 21.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 51.0	0.0 - 51.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees
Temporary staff	0.0 - 62.0	0.0 - 62.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees

Sensitivity analysis on significant actuarial assumptions represents impact of change in the significant actuarial assumptions on present value of the post-employment benefits obligation as at February 29, 2016 and February 20, 2016 as follows:

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>		
	<b>As at February 29, 2016</b>	<b>As at February 20, 2016</b>
	<b>Baht '000</b>	<b>Baht '000</b>
<b>Financial assumptions</b>		
Discount rate		
- 1% increase	(11,723)	(11,680)
- 1% decrease	14,126	14,076
Expected rate of salary increase		
- 1% increase	12,454	12,394
- 1% decrease	(10,533)	(10,484)
<b>Demographic assumptions</b>		
Turnover rate		
- 1% increase	(12,679)	(12,629)
- 1% decrease	6,962	6,937

<b>SEPARATE FINANCIAL STATEMENTS</b>		
	<b>As at February 29, 2016</b>	<b>As at February 20, 2016</b>
	<b>Baht '000</b>	<b>Baht '000</b>
<b>Financial assumptions</b>		
Discount rate		
- 1% increase	(8,307)	(8,265)
- 1% decrease	9,982	9,931
Expected rate of salary increase		
- 1% increase	8,733	8,673
- 1% decrease	(7,390)	(7,340)
<b>Demographic assumptions</b>		
Turnover rate		
- 1% increase	(8,962)	(8,912)
- 1% decrease	4,799	4,774

Maturity analysis of the benefit payments of the post-employment benefits obligation as at February 29, 2016 and February 20, 2016 are as follows:

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>		
	<b>As at February 29, 2016</b>	<b>As at February 20, 2016</b>
	<b>Baht '000</b>	<b>Baht '000</b>
Within 1 year	-	-
Over 1 to 5 years	2,185	2,185
Over 5 years	86,805	86,281
Total	88,900	88,466



SEPARATE FINANCIAL STATEMENTS		
	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000
Within 1 year	-	-
Over 1 to 5 years	2,185	2,079
Over 5 years	57,487	57,250
Total	<u>59,672</u>	<u>59,329</u>

## 23. SHAREHOLDERS' EQUITY

- 23.1 On June 12, 2015, the Annual General Meeting of shareholders had the resolutions to approve the declaration of final dividends for the fiscal year 2014 at the rate of Baht 1.85 per share, totaling Baht 462.50 million. The aforementioned shareholders included 92,900 shares of foreign shareholders who had no rights to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 462.33 million which were paid to all shareholders on June 25, 2015 in addition to the interim dividends which had been paid to all shareholders at Baht 1.60 per share, totaling Baht 399.99 million on October 27, 2014.
- 23.2 On September 23, 2015, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the fiscal year 2015 at the rate of Baht 1.60 per share to shareholders, totaling Baht 400 million. The aforementioned shareholders included 1,000 shares of foreign shareholders who had no rights to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 399.99 million on October 21, 2015.
- 23.3 On February 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 4 had passed the resolutions to approve the dissolution and liquidation, and Eternal 4 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 4 has already registered the completion of the liquidation process with Department of Business Development, Ministry of Commerce, and repaid the share capital to the Company and shareholder attributed non-controlling interests amounting of Baht 0.01 million and Baht 0.03 million, respectively, on June 17, 2015.
- 23.4 Under the Securitization project, the subsidiaries have to pay dividend to their shareholders from all remaining amounts after deducting the required accumulated reserves and payment of all fees and expenses. The subsidiaries appropriate interim dividends on a monthly basis at each Monthly Purchase Date as an appropriation of net profit after corporate income tax of each month after the approval of Board of Directors' meeting.

23.4.1 Eternal 6 Special Purpose Vehicle Company Limited's the registered share capital comprises ordinary shares and preferred shares which are held by non-controlling interests. Dividends from the profits of the subsidiary shall be allocated to the holders of preferred shares at a rate not more than 50% of the par value of each preferred share. The rest of the dividends shall be distributed to the holders of ordinary shares.

23.4.2 ATS Rabbit Special Purpose Vehicle Company Limited's the registered share capital comprises 2 groups of ordinary shares and 2 groups of preferred shares. Dividends from the profits of the subsidiaries shall be allocated to the holders of preferred shares which are non-controlling interests at a rate of 1% of the par value of each preferred share. The rest of the dividends shall be distributed to the holders of ordinary shares and another group of preferred shares.

## **24. LEGAL RESERVE**

Pursuant to the Public Limited Companies Act. B.E. 2535 (1992), the Company must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than ten percent of the registered capital.

As at February 29, 2016 and February 20, 2016, the Company's legal reserve equals to 10% of the registered share capital.

## **25. CAPITAL MANAGEMENT**

The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

Monitoring the capital level of the Company is conducted in accordance with the covenant on financial ratio stipulated in loan agreements.

The Company has been granted the license to operate the non-financial institution personal loan from the Minister of Finance. The Company must have the authorized share capital of Baht 50 million at least.

The Company has policy to pay dividend at least 30% of net profit. The dividend payment is subject to the resolution of the shareholders' meeting after the Board of Directors' approval.

**26. OTHER COMPONENTS OF EQUITY**

Other components of equity as at February 29, 2016 and February 20, 2016, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000
<b>Exchange differences on translating financial statements of foreign operations</b>		
Beginning balance	(15,817)	(1,119)
Increase (decrease) during the year	2,742	(14,698)
Ending balance	<u>(13,075)</u>	<u>(15,817)</u>

Differences on exchange relating to translation of the financial statements of foreign operations to be presented in Thai Baht currency is recognized directly in other comprehensive income and accumulated amount is separately presented under shareholders' equity as other components of equity.

**27. REVENUE RELATING TO SECURITIZATION TRANSACTION**

For the period from February 21 to 29, 2016 and for the year ended February 20, 2016, the details of revenues from securitization transaction consist of the following:

27.1 Revenue relating to securitization transaction incurred from sale of credit card receivables to Eternal 6 is included in Credit Card Income for presentation.

	SEPARATE FINANCIAL STATEMENTS	
	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000
Credit Card Income (see Note 32.2.2)		
Interest income from subordinated lending	4,140	167,922
Revenue from seller loan in Special Purpose Vehicle	1,636	24,713
Dividend from investment in Special Purpose Vehicle	10,612	179,350
Servicing income	6,203	267,338
Total	<u>22,591</u>	<u>639,323</u>

27.2 Revenue relating to securitization transaction incurred from sale of loan receivables to ATS Rabbit is included in Loan Income for presentation.

	SEPARATE FINANCIAL STATEMENTS	
	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000
Loan Income (see Note 32.2.2)		
Interest income from subordinated lending	88	991
Revenue from seller loan in Special Purpose Vehicle	2,403	2,214
Servicing income	804	7,988
Total	<u>3,295</u>	<u>11,193</u>

## 28. DIRECTORS AND MANAGERMENTS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act. Managements' remuneration represents cash remuneration as salaries and bonus paid to the Company's management.

For the period from February 21 to 29, 2016 and for the year ended February 20, 2016, directors and managements' remuneration are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000
Short-term employee benefits				
Managements' remuneration	2,356	110,318	1,363	58,670
Directors' remuneration	810	21,586	500	18,925
Post-employment benefits	107	2,820	90	1,219
	<u>3,273</u>	<u>134,724</u>	<u>1,953</u>	<u>78,814</u>

For the year ended February 20, 2016, directors' remunerations which were included in short-term employee benefits were approved by the ordinary shareholders' meetings of the Company held on June 12, 2015.

## 29. PROVIDENT FUND

The Company has set up a contributory provident fund. The contribution from employees is deducted from the monthly salaries, with the Company matching the individual's contribution. The Company registered its provident fund in accordance with the Provident Fund Act. B.E. 2530 (1987) on June 1, 1999. This provident fund is managed by an authorized fund manager.

For the period from February 21 to 29, 2016 and for the year ended February 20, 2016, the Company contributed to the provident fund and recorded as expenses, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000
Contributory provident fund	282	30,908	3	19,471

### 30. EXPENSES BY NATURE

Net profits for the period from February 21 to 29, 2016 and for the year ended February 20, 2016 have been derived after deducting the following significant expenses:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000
Staff costs	54,932	2,396,159	25,983	1,156,171
Directors and management's remuneration	3,273	134,724	1,953	78,814
Marketing expenses	25,111	1,329,356	15,701	1,272,505
Equipment expenses	11,545	634,999	9,874	487,147
Depreciation and amortization	13,235	578,327	10,932	470,587
Communication expenses	7,975	428,066	6,460	349,015
Premises' expenses	11,366	627,906	9,107	546,461
Outsource collection expenses	2,234	278,051	38,817	1,302,960
Special business tax and duty stamp	9,692	448,179	9,074	417,132
Bad debts and doubtful accounts	8,688	4,754,037	8,188	4,507,358
Finance cost	57,993	2,302,934	56,342	2,237,119

### 31. CORPORATE INCOME TAX

The Company and its local subsidiaries used tax rate of 20% for corporate income tax calculation for the period from February 21, 2016 to February 29, 2016 and for the year ended February 20, 2016. The foreign subsidiaries used 20%-25% for corporate income tax calculation for the period from February 21, 2016 to February 29, 2016 and for the year ended February 20, 2016, respectively.

The Company and its subsidiaries used tax rate of 20% for calculation of deferred tax for the period from February 21 to 29, 2016 and for the year ended February 20, 2016. The foreign subsidiaries used 20%-25% for calculation of deferred tax for the period from February 21 to 29, 2016 and for the year ended February 20, 2016, respectively.

Income tax expenses of the Company and its subsidiaries are calculated from profit before tax, added back transactions which are non-deductible expenses and deducted exempted income under the Revenue Code.

For the period from February 21 to 29, 2016 and for the year ended February 20, 2016, income tax expense consists of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000
Current tax expense for the period/year	43,515	598,701	40,400	494,572
Deferred income tax expense (revenue)	(5,805)	26,494	(5,749)	31,821
Income tax expense per statements of profit or loss	<u>37,710</u>	<u>625,195</u>	<u>34,651</u>	<u>526,393</u>

Reconciliations of effective tax rates for the period from February 21 to 29, 2016 and for the year ended February 20, 2016 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the period from February 21-29, 2016		For the year ended February 20, 2016	
	Amount Baht '000	Rate %	Amount Baht '000	Rate %
Profit before income tax expense	<u>185,967</u>		<u>3,084,691</u>	
Income tax at the domestic tax rate	38,731	20.00 - 25.00	676,410	20.00 - 25.00
<u>Add</u> Tax effect of income and expense not exempted for tax purposes	481	0.26	524	0.00
<u>Less</u> Tax effect of income and expense exempted for tax purposes	(1,502)	(0.81)	(51,739)	(1.68)
Income tax expense per statements of profit or loss	<u>37,710</u>	<u>20.41</u>	<u>625,195</u>	<u>20.27</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the period from February 21-29, 2016		For the year ended February 20, 2016	
	Amount Baht '000	Rate %	Amount Baht '000	Rate %
Profit before income tax expense	<u>181,060</u>		<u>2,887,191</u>	
Income tax at the domestic tax rate	36,212	20.00	577,438	20.00
<u>Add</u> Tax effect of income and expense not exempted for tax purposes	21	0.01	10,576	0.37
<u>Less</u> Tax effect of income and expense exempted for tax purposes	(1,582)	(0.87)	(61,621)	(2.13)
Income tax expense per statements of profit or loss	<u>34,651</u>	<u>19.14</u>	<u>526,393</u>	<u>18.24</u>

## 32. TRANSACTIONS WITH RELATED PARTIES

The consolidated and separate financial statements include certain transactions with the subsidiaries, associate and related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The consolidated and separate financial statements reflect the effects of these transactions on the basis determined by the Company, the subsidiaries, associate and the related parties which are as follows:

32.1 Investments in associate and subsidiaries (see Note 10.2) as at February 29, 2016 and February 20, 2016, are as follows:

Related parties	Relationship	Paid-up Capital Baht' 000	% Ownership	SEPARATE FINANCIAL STATEMENTS	
				As at February 29, 2016 Cost Baht '000	As at February 20, 2016 Cost Baht '000
<b>Investments in associate and subsidiaries</b>					
<b>Investment in associate</b>					
ACS Trading Vietnam Company Limited	Associate	84,096.3	20.00	16,819.3	16,819.3
Total investment in associate				<u>16,819.3</u>	<u>16,819.3</u>
<b>Investments in subsidiaries</b>					
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	40.0	26.00	10.4	10.4
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	40.0	26.00	10.4	10.4
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	40.0	48.75	19.5	19.5
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	320,344.4	80.00	252,960.0	252,960.0
AEON Insurance Service (Thailand) Company Limited	Subsidiary	149,224.3	100.00	149,224.3	149,224.3
ACS Servicing (Thailand) Company Limited	Subsidiary	175,349.1	100.00	175,349.1	175,349.1
AEON Microfinance (Myanmar) Company Limited	Subsidiary	276,769.1	100.00	276,769.1	276,769.1
AEON Leasing Service (Lao) Company Limited	Subsidiary	111,402.9	92.58	103,069.1	103,069.1
Total investments in subsidiaries				<u>957,411.9</u>	<u>957,411.9</u>
<b>Total investments in associate and subsidiaries</b>				<u><u>974,231.2</u></u>	<u><u>974,231.2</u></u>

## 32.2 Business transactions with related parties

32.2.1 Balances with related parties as at February 29, 2016 and February 20, 2016, are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000	As at February 29, 2016 Baht '000	As at February 20, 2016 Baht '000
<b>Accounts receivable under securitization project</b> (see Note 6.1)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	607,836	593,566
<b>Other receivables</b> (see Note 7)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	128,244	108,140
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	1,405	1,078
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	11,394	7,895
AEON Financial Service Co., Ltd.	Major shareholder	712	712	712	712
AEON Credit Service Company Limited	Common ultimate holding company	10	10	10	10
ACS Capital Corporation Limited	Shareholder and one common director	5,093	4,894	225	27

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		February 29, 2016	February 20, 2016	February 29, 2016	February 20, 2016
		Baht '000	Baht '000	Baht '000	Baht '000
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	226	254
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	12,496	11,041
AEON Compass Company Limited	Common ultimate holding company	-	248	-	248
		<u>5,815</u>	<u>5,864</u>	<u>154,712</u>	<u>129,405</u>
<b>Short-term loan</b> (see Note 9)					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	100,000	100,000
<b>Seller loan in Special Purpose Vehicle for Securitization</b> (see Note 11)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	2,493,858	2,464,756
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	62,817	48,582
		<u>-</u>	<u>-</u>	<u>2,556,675</u>	<u>2,513,338</u>
<b>Subordinated lending</b> (see Note 12)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	1,399,352	1,399,352	1,399,352	1,399,352
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	29,870	29,870
		<u>1,399,522</u>	<u>1,399,522</u>	<u>1,429,222</u>	<u>1,429,222</u>
<b>Long-term borrowings</b> (see Note 19)					
AEON Bank Ltd.	Common ultimate holding company	1,591,401	1,571,141	1,591,401	1,571,141
<b>Accounts payable</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	123,380	126,401
<b>Other payables</b> (see Note 18)					
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	44	44
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	640,318	640,318
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	1,821	4,594
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	114,112	114,118
AEON Financial Service Co., Ltd.	Major shareholder	33,384	33,384	33,384	33,384
AEON Credit Service Company Limited	Common ultimate holding company	11,059	23,545	6,471	6,471
ACS Capital Corporation Limited	Shareholder and one common director	9	-	9	-
AEON Credit Service Systems (Philippines) Inc.	Holding shares	14	14	-	-
AEON Bank Ltd.	Common ultimate holding company	-	1,244	-	-
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	593	584	-	-
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	36,260	31,645
		<u>45,059</u>	<u>58,771</u>	<u>832,419</u>	<u>830,574</u>
<b>Long-term borrowing under securitization project</b> (see Note 20)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	607,836	593,566
<b>Deferred Revenue</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	584	584



34.2.2 Transactions with related parties for the period from February 21 to 29, 2016 and for the year ended February 20, 2016, are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000
<b>Sale promotion income</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	-	13,296
<b>Revenue relating to securitization transaction</b> (including in credit card income and loan income)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	22,591	639,323
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	3,295	11,193
		<u>-</u>	<u>-</u>	<u>25,886</u>	<u>650,516</u>
<b>Other income</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	-	61,291
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	898	137,151
ACS Capital Corporation Limited	Shareholder and one common director	-	13,536	-	13,536
AEON (Thailand) Company Limited	Holding shares and two common directors	-	141	-	141
		<u>-</u>	<u>13,677</u>	<u>898</u>	<u>212,119</u>
<b>Operating and administrative expenses</b>					
<b>Collection service fee</b>					
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	37,033	1,172,465
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	120	921
		<u>-</u>	<u>-</u>	<u>37,153</u>	<u>1,173,386</u>
<b>Others</b>					
AEON Financial Service Co., Ltd.	Major shareholder	-	77,194	-	77,183
AEON Credit Service Company Limited	Common ultimate holding company	-	41,856	-	16,428
AEON Bank Ltd.	Common ultimate holding company	-	394	-	394
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	-	-
AEON (Thailand) Company Limited	Holding shares and two common directors	-	17,986	-	17,986
ACS Capital Corporation Limited	Shareholder and one common director	-	45,208	-	45,518
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	-	1,689
AEON Credit Service Systems (Philippines) Inc.	Holding shares	-	13,621	-	11,279
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	177	850
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	-	2,373	-	-
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	-	1,231
		<u>-</u>	<u>198,632</u>	<u>177</u>	<u>172,558</u>
<b>Dividend income</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	-	60,000
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	-	17,908
AEON Specialized Bank (Cambodia) Plc	Subsidiary	-	-	-	27,799
		<u>-</u>	<u>-</u>	<u>-</u>	<u>105,707</u>

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000	For the period from February 21-29, 2016 Baht '000	For the year ended February 20, 2016 Baht '000
<b>Dividend paid</b>					
AEON Financial Service Co., Ltd.	Major shareholder	-	302,910	-	302,910
ACS Capital Corporation Limited	Shareholder and one common director	-	165,600	-	165,600
		<u>-</u>	<u>468,510</u>	<u>-</u>	<u>468,510</u>

- Other income for the period from February 21 to 29, 2016 and for the year ended February 20, 2016 includes the computer fee charged to ACS Capital Corporation Limited, AEON Insurance Service (Thailand) Co., Ltd., and ACS Servicing (Thailand) Co., Ltd., at the rates of Baht 1,000,000 per month, Baht 200,000 per month and Baht 200,000 per month, respectively, and charged to ACS Capital Corporation Limited for marketing support fee at the rate of Baht 200,000 per month.
- Revenues relating to securitization transactions are determined by the Company and subsidiaries in accordance with securitization projects (see Note 6.5).
- Collection service fee paid to ACS Servicing (Thailand) Co., Ltd. is based on general market price and in the normal course of business.
- Management assistant fee is paid to AEON Financial Service Co., Ltd. as stated in the agreement.
- Pricing policy for other operating and administrative expenses is determined by the Company and related parties based on the cost plus basis.
- Computer programs purchasing price is paid to AEON Credit Service Systems (Philippines) Inc. based on specified in the agreement.

### 33. LONG-TERM OPERATING LEASE AND SERVICE AGREEMENTS

As at February 29, 2016 and February 20, 2016, the Company has long-term operating lease and service agreements with the third parties as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Rental payments			
	As at February 29, 2016		As at February 20, 2016	
	Within 1 year	Over 1 to 5 years	Within 1 year	Over 1 to 5 years
	Baht '000	Baht '000	Baht '000	Baht '000
Building	269,963	267,155	271,214	269,603
Office equipment	125,585	183,914	122,184	101,083
Vehicle	26,403	21,366	26,398	21,853

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	Rental payments			
	As at February 29, 2016		As at February 20, 2016	
	Within 1 year	Over 1 to 5 years	Within 1 year	Over 1 to 5 years
	Baht '000	Baht '000	Baht '000	Baht '000
Building	210,427	221,262	212,278	223,710
Office equipment	124,672	182,694	121,271	99,862
Vehicle	20,711	18,445	20,793	18,931

### 34. SEGMENT INFORMATION

The Company and subsidiaries presented segment information in respect of the business segments based on the management and internal reporting structure. The business segments of the Company and subsidiaries consist of:

Retail finance services Consist of credit card, hire-purchase and personal loans and others  
Other business Consist of debt collection service and insurance brokerage services

The Company and subsidiaries do not have revenues from transactions with a single external customer at 10% or more of total revenues.

Transactions between segments are recorded on the same basis as the transaction conducted with the third party transactions. Transactions between segments are eliminated on consolidation.

The segment information of the Company and its subsidiaries were classified by business segment as follows:

34.1 Operating result classified by business for the period from February 21 to 29, 2016 and for the year ended February 20, 2016 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				
	For the period from February 21-29, 2016				
	Retail finance services		Other business	Elimination	Total
	Domestic	Foreign	Domestic		
Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
Revenues					
Revenue from external customers	384,604	1,024	18,607	-	404,235
Inter - segment revenues	-	-	34,547	(34,547)	-
	<u>384,604</u>	<u>1,024</u>	<u>53,154</u>	<u>(34,547)</u>	<u>404,235</u>
Expenses					
Operating and administrative expenses	134,712	1,808	46,326	(34,499)	148,347
Directors and managements' remuneration	1,954	765	554	-	3,273
Bad debts and doubtful accounts	8,590	98	-	-	8,688
Finance cost	57,888	105	48	(48)	57,993
Total expenses	<u>203,144</u>	<u>2,776</u>	<u>46,928</u>	<u>(34,547)</u>	<u>218,301</u>
Share of profit from investment in associate	-	33	-	-	33
Profit (loss) before income tax expense	181,460	(1,719)	6,226	-	185,967
Income tax expense	36,394	-	1,316	-	37,710
Net profit (loss) for the year	<u>145,066</u>	<u>(1,719)</u>	<u>4,910</u>	<u>-</u>	<u>148,257</u>

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	Retail finance services		Other business	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	16,696,611	352,475	382,140	-	17,431,226
Inter - segment revenues	-	-	1,620,606	(1,620,606)	-
	<u>16,696,611</u>	<u>352,475</u>	<u>2,002,746</u>	<u>(1,620,606)</u>	<u>17,431,226</u>
Expenses					
Operating and administrative expenses	6,651,060	243,612	1,762,083	(1,497,937)	7,158,818
Directors and managements' remuneration	78,814	36,417	19,493	-	134,724
Bad debts and doubtful accounts	4,726,095	27,942	-	-	4,754,037
Finance cost	2,288,357	14,577	389	(389)	2,302,934
Total expenses	<u>13,744,326</u>	<u>322,548</u>	<u>1,781,965</u>	<u>(1,498,326)</u>	<u>14,350,513</u>
Share of profit from investment in associate	-	3,978	-	-	3,978
Profit (loss) before income tax expense	2,952,285	33,905	220,781	(122,280)	3,084,691
Income tax expense	576,089	15,820	33,286	-	625,195
Net profit (loss) for the year	<u>2,376,196</u>	<u>18,085</u>	<u>187,495</u>	<u>(122,280)</u>	<u>2,459,496</u>

34.2 Financial position classified by business as at February 29, 2016 and February 20, 2016 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS

As at February 29, 2016

	Retail finance services		Other business	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Accounts receivable and other receivable	59,990,390	1,361,106	708,042	(359,194)	61,700,344
Leasehold improvement and equipment and intangible assets	1,212,611	165,718	229,732	(7,895)	1,600,166
Other assets	9,600,468	161,095	430,566	(1,041,470)	9,150,659
Total assets	<u>70,803,469</u>	<u>1,687,919</u>	<u>1,368,340</u>	<u>(1,408,559)</u>	<u>72,451,169</u>
Total liabilities	<u>58,937,215</u>	<u>1,034,012</u>	<u>682,468</u>	<u>(459,194)</u>	<u>60,194,501</u>

CONSOLIDATED FINANCIAL STATEMENTS

As at February 20, 2016

	Retail finance services		Other business	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Accounts receivable and other receivable	59,385,905	1,324,230	543,769	(316,714)	60,937,190
Leasehold improvement and equipment and intangible assets	1,220,312	165,168	231,710	(7,894)	1,609,296
Other assets	8,658,956	95,810	416,177	(996,425)	8,174,518
Total assets	<u>69,265,173</u>	<u>1,585,208</u>	<u>1,191,656</u>	<u>(1,321,033)</u>	<u>70,721,004</u>
Total liabilities	<u>57,543,986</u>	<u>932,797</u>	<u>510,962</u>	<u>(371,900)</u>	<u>58,615,845</u>

### **35. DISCLOSURE OF INFORMATION RELATING TO FINANCIAL INSTRUMENTS**

The Company presents and discloses financial instruments in accordance with the Thai Accounting Standard No. 107 regarding “Presentation and Disclosure of Financial Instruments”.

The Company entered into Interest Rate Swap Contracts, Cross Currency Swap Contracts and Cross Currency Interest Rate Swap Contracts in asset and liability management activities to control exposure to fluctuations in interest and foreign exchange rates. The Company does not hold derivatives for trading purposes.

#### **35.1 Accounting policies**

Details of significant accounting policies are disclosed in Note 4.

#### **35.2 Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company and subsidiaries. Concentrations of the credit risk with respect to trade receivables are limited due to the large number of customers comprising the customer base, and their dispersion across different geographic regions. However, the Company and subsidiaries have adopted the policy to prevent this risk by performing credit analysis from customers’ information and following up on customer status consistently.

In the case of recognized financial assets, the carrying amount of the assets recorded in the statement of financial position, net of a portion of allowance for doubtful accounts, represents the Company’s maximum exposure to credit risk.

#### **35.3 Interest rate risk**

Interest rate risk arises from a potential for a change in interest rates to have an adverse effect on the Company and subsidiaries in the current reporting period and in future years.

The Company did not anticipate any interest rate fluctuation risk which may have a material effect on the result of operations as all of the loans carrying floating interest rates have been hedged. Details of interest rate swap agreements and cross currency interest rate swap agreements are disclosed in Notes 19 and 21.

The subsidiaries did not have interest rate fluctuation risk as all of the loans carry fixed rates.

### 35.4 Foreign exchange risk

Foreign exchange risk arises from the change in foreign currency exchange rate to have an adverse effect on the Company in the current reporting period and in future years. The Company did not anticipate any foreign exchange risk which may have a material effect on the result of operations as all the transactions in foreign currency have been hedged by entering into cross currency swap contracts.

In addition, in order to manage risk from fluctuation in currency and interest rate, the Company has entered into various cross currency interest rate swap contracts to hedge its long-term debts as disclosed in Notes 19 and 21.

### 35.5 Fair value measurements

35.5.1 Cash and cash equivalents, accounts receivable and other receivables, short-term loans from financial institutions and accounts payable and other payables; the carrying values of outstanding balances approximate their fair values due to relatively short period to maturity.

Other long-term investments: based on amount recognized in the statement of financial position.

Subordinated lending: the management believes that the approximate fair value of subordinated lending is based on the amounts recognized in the statement of financial position because there is no equivalent subordinated lending in the market for reference.

35.5.2 The fair values of long-term borrowings and debentures are estimated based on the discounted cash flows using average current interest rate over the remaining period to maturity.

The transactions disclosed in the following table, are considered that the carrying amounts of financial liabilities recognized in the consolidated and separate financial statements are different from their fair values.

	<b>Carrying amount Baht '000</b>	<b>Fair value Baht '000</b>	<b>Fair value hierarchy Baht '000</b>
<b>As at February 29, 2016</b>			
<b>Consolidated financial statements</b>			
<b>Financial liabilities</b>			
Long-term borrowings bearing fixed interest rate	10,759,875	10,846,308	Level 2
Long-term borrowings bearing floating interest rate	30,150,917	30,242,387	Level 2
Long-term debentures bearing fixed interest rate	1,895,633	1,916,199	Level 2
Long-term debentures bearing floating interest rate	6,993,849	7,054,415	Level 2
<b>Separate financial statements</b>			
<b>Financial liabilities</b>			
Long-term borrowings bearing fixed interest rate	10,396,112	10,476,361	Level 2
Long-term borrowings bearing floating interest rate	30,150,917	30,242,387	Level 2
Long-term debentures bearing fixed interest rate	1,398,228	1,411,933	Level 2
Long-term debentures bearing floating interest rate	6,993,849	7,054,415	Level 2

	<b>Carrying amount Baht '000</b>	<b>Fair value Baht '000</b>	<b>Fair value hierarchy Baht '000</b>
<b>As at February 20, 2016</b>			
<b>Consolidated financial statements</b>			
<b>Financial liabilities</b>			
Long-term borrowings bearing fixed interest rate	10,294,063	10,376,683	Level 2
Long-term borrowings bearing floating interest rate	29,929,223	29,929,223	Level 2
Long-term debentures bearing fixed interest rate	1,695,926	1,713,676	Level 2
Long-term debentures bearing floating interest rate	6,972,594	6,972,594	Level 2
<b>Separate financial statements</b>			
<b>Financial liabilities</b>			
Long-term borrowings bearing fixed interest rate	9,931,525	10,007,982	Level 2
Long-term borrowings bearing floating interest rate	29,929,223	29,929,223	Level 2
Long-term debentures bearing fixed interest rate	1,198,521	1,209,308	Level 2
Long-term debentures bearing floating interest rate	6,972,594	6,662,890	Level 2

35.5.3 Estimated fair values of receivables and/or payables per currency and interest rate swap contracts are estimated based on the discounted cash flows. Future cash flows are estimated based on relevant market price of hedged position, i.e. interest rate, foreign exchange rate, discounted at a rate that reflects the credit risk of various counterparties. Fair values of receivables and/or payables per currency and interest rate swap contracts are determined at Level 2.

The carrying amount and estimated fair values of receivables and/or payables per currency and interest rate swap contracts are as followings:

<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>				
<b>As at February 29, 2016</b>				
	<b>Carrying amount</b>			<b>Fair value</b>
	<b>Less than 1 year</b>	<b>1 - 5 years</b>	<b>Total</b>	<b>Gain (Loss)</b>
	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
<b>Receivable per currency swap contracts</b>				
Cross Currency Swap Contracts	478,184	1,611,177	2,089,361	1,482,690
Cross Currency Interest Rate Swap Contracts	370,017	701,655	1,071,672	663,118
	<u>848,201</u>	<u>2,312,832</u>	<u>3,161,033</u>	<u>2,145,808</u>
<b>Payable per currency swap contracts</b>				
Cross Currency Swap Contracts	(44,163)	(505,175)	(549,338)	(1,183,912)
	<u>(44,163)</u>	<u>(505,175)</u>	<u>(549,338)</u>	<u>(1,183,912)</u>
<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>				
<b>As at February 20, 2016</b>				
	<b>Carrying amount</b>			<b>Fair value</b>
	<b>Less than 1 year</b>	<b>1 - 5 years</b>	<b>Total</b>	<b>Gain (Loss)</b>
	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
<b>Receivable per currency swap contracts</b>				
Cross Currency Swap Contracts	472,640	1,514,914	1,987,554	1,370,603
Cross Currency Interest Rate Swap Contracts	365,330	671,249	1,036,579	653,214
	<u>837,970</u>	<u>2,186,163</u>	<u>3,024,133</u>	<u>2,023,817</u>
<b>Payable per currency swap contracts</b>				
Cross Currency Swap Contracts	(57,107)	(611,025)	(668,132)	(1,270,217)
	<u>(57,107)</u>	<u>(611,025)</u>	<u>(668,132)</u>	<u>(1,270,217)</u>

### **36. CREDIT FACILITIES AND LETTER OF GUARANTEE**

- 36.1 As at February 29, 2016 and February 20, 2016, the Company has the committed and unsecured revolving credit facility agreements with a financial institution for general corporate funding requirements totaling Baht 900 million. Such credit facility is still unused.
- 36.2 As at February 29, 2016 and February 20, 2016, the Company has unused overdraft facilities with various banks totaling Baht 80.10 million and Baht 130.10 million, respectively. Such overdraft facilities are unsecured.
- 36.3 As at February 29, 2016 and February 20, 2016, the Company has bank's letter of guarantees issued to suppliers for guarantee payment of Baht 0.50 million. Such letter of guarantees are unsecured.
- 36.4 As at February 29, 2016 and February 20, 2016, two subsidiaries have letters of guarantee issued by banks in the amounts of Baht 6.60 million.
- 36.5 As at February 29, 2016 and February 20, 2016, the Company has outstanding letters of credit issued by a bank in Japan for guarantee repayment of a subsidiary's debentures of not exceeding Baht 326.95 million (see Note 21).
- 36.6 As at February 29, 2016 and February 20, 2016, the Company has outstanding letters of credit issued by banks and letter of guarantee issued by the Company for guarantee repayment of a subsidiary's loans of not exceeding USD 1.81 million.

### **37. SIGNIFICANT AGREEMENTS RELATING TO SECURITIZATION TRANSACTIONS**

- 37.1 The Company entered into the Receivables Sale and Purchase Agreements with Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6) ("the subsidiary"), on May 14, 2013. Such agreement set out the procedures and terms in respect of the sale and purchase of the Initial Receivables on the Closing Date, for Future Receivables on each Purchase Date and for Additional Receivables on each Monthly Purchase Date including the rights, obligations and responsibilities of both parties. The Receivables Sale and Purchase Agreement also set out the terms and conditions in respect of the resale and repurchase of the Ineligible Receivables and Defaulted Receivables.
- 37.2 The Company entered into the Servicing Agreements with Eternal 6 ("the subsidiary") on May 14, 2013. Based on such agreement, the subsidiary appointed the Company (as a transferor and servicer) to provide certain administration services (including record keeping and producing written reports relating to the Collections), to act as the collection agent and other services for credit card receivables in relation to the Purchased Receivables. In addition, the Servicing Agreement also set out other relevant terms, such as the scope of the services, the payment of service fees, the termination of the appointment of the Servicer and the Back-up Servicer appointment of the substitute servicer.



- 37.3 On February 2, 2015, the Company entered into a memorandum of understanding regarding the cooperation between the Company and BTS Group Holdings Public Company Limited (“BTSG”) and Bangkok Smartcard System Company Limited (“BSS”) (a subsidiary of BTSG), for the joint issue of member card under the Co-Branded Rabbit Program and setting up a special purpose vehicle for the securitization project, the purpose of securitization through the establishment of a special purpose vehicle in a form of cooperation framework between the Company and BSS Holdings Company Limited (“BSS Holdings”) (a subsidiary of BTSG), in accordance with the resolution passed at the meeting of the Board of Directors No. 10/2014, held on December 24, 2014.
- 37.4 The Company entered into the Receivables Sale and Purchase Agreements with ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit) (“the subsidiary”), on October 22, 2015. Such agreement set out the procedures and terms in respect of the sale and purchase of the Initial Receivables on the Closing Date, for Future Receivables on each Purchase Date and for Additional Receivables on each Monthly Purchase Date including the rights, obligations and responsibilities of both parties. The Receivables Sale and Purchase Agreement also set out the terms and conditions in respect of the resale and repurchase of the Ineligible Receivables and Defaulted Receivables.
- 37.5 The Company entered into the Servicing Agreements with ATS Rabbit (“the subsidiary”) on October 22, 2015. Based on such agreement, the subsidiary appointed the Company (as a transferor and servicer) to provide certain administration services (including record keeping and producing written reports relating to the Collections), to act as the collection agent and other services for loan receivables in relation to the Purchased Receivables. In addition, the Servicing Agreement also set out other relevant terms, such as the scope of the services, the payment of service fees, the termination of the appointment of the Servicer and the Back-up Servicer appointment of the substitute servicer.

### **38. SALES OF WRITTEN-OFF ACCOUNTS RECEIVABLE**

- 38.1 On August 19, 2015, the Company sold written-off accounts receivable under loan agreements, hire-purchase agreements and credit card agreements by a bidding process to a local company (the “buyer”) with the purchase price of Baht 190.67 million and the value-added tax of hire-purchase receivables of Baht 0.09 million, totaling Baht 190.79 million. At the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement sets out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off accounts receivable under loan agreements, hire-purchase receivables and credit card agreements. As at August 19, 2015, the closing date as specified in the agreement, the Company received the initial payment of Baht 47.69 million from the purchaser. The purchaser agrees to pay the remaining amount of purchase price amounting to Baht 143.07 million in three installments of Baht 47.69 million per each, on September 20, 2015, October 20, 2015 and the delivery date, respectively.

38.2 On September 21, 2015, the Company sold written-off accounts receivable under loan agreements by a bidding process to a local company (the “buyer”) with the purchase price of Baht 109.46 million. At the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement sets out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off accounts receivable under loan agreements. As at September 21, 2015, the closing date as specified in the agreement, the Company received the initial payment of Baht 27.37 million from the purchaser. The purchaser agreed to pay the remaining amount of purchase price amounting to Baht 82.09 million in three installments of Baht 27.37 million per each, on October 21, 2015, November 21, 2015 and the delivery date, respectively.

During the year ended February 20, 2016, the Company has already received cash proceeds of the remaining balance as specified in the agreements. Accordingly, the Company recognized income from sale of written-off accounts receivable after claim for damages from sales of loans receivable totaling Baht 299.41 million in the consolidated and separate statements of profit or loss for the year ended February 20, 2016.

### **39. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved for issuing by the Company’s authorized director and the Audit Committee on April 18, 2016.