

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS**

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

We have reviewed the consolidated statement of financial position of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate statement of financial position of AEON Thana Sinsap (Thailand) Public Company Limited as at May 31, 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 three-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with Thai Standard on Review Engagements No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".

**BANGKOK**  
July 6, 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 MAY 31, 2016**

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at May 31, 2016	As at February 29, 2016	As at May 31, 2016	As at February 29, 2016
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5.1	3,835,275	3,808,571	3,222,749	3,129,591
Accounts receivable and other receivables					
Accounts receivable	6	61,214,898	59,560,348	57,705,392	56,801,824
Other receivables		672,157	810,012	786,578	880,433
Seller loans in Special Purpose Vehicles					
for Securitization due within one year	9	-	-	2,831,809	2,556,675
Subordinated lendings due within one year	10.1	1,399,352	1,399,352	1,399,352	1,399,352
Receivables per currency swap contracts	13 and 15	542,618	848,201	542,618	848,201
Short-term loan to a related party	7	-	-	100,000	100,000
Other current assets		54,034	42,010	41,035	39,732
Total Current Assets		<u>67,718,334</u>	<u>66,468,494</u>	<u>66,629,533</u>	<u>65,755,808</u>
<b>NON-CURRENT ASSETS</b>					
Accounts receivable	6	1,170,455	1,329,984	547,802	617,854
Fixed deposits at banks under obligations		33,572	34,237	-	-
Investment in associate	8.1 and 8.2	41,762	41,245	16,819	16,819
Investments in subsidiaries	8.2	-	-	957,412	957,412
Other long-term investments					
Related companies	8.3	26,717	26,717	26,717	26,717
Subordinated lendings	10.1	-	-	35,291	29,870
Leasehold improvement and equipment		908,821	949,732	689,782	717,517
Intangible assets		619,649	650,434	467,192	495,094
Receivables per currency swap contracts	13 and 15	2,407,696	2,312,832	2,407,696	2,312,832
Deferred tax assets	11	446,887	459,099	416,023	427,018
Other non-current assets		193,015	178,395	167,080	150,585
Total Non-Current Assets		<u>5,848,574</u>	<u>5,982,675</u>	<u>5,731,814</u>	<u>5,751,718</u>
<b>TOTAL ASSETS</b>		<u><u>73,566,908</u></u>	<u><u>72,451,169</u></u>	<u><u>72,361,347</u></u>	<u><u>71,507,526</u></u>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT MAY 31, 2016**

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at May 31, 2016	As at February 29, 2016	As at May 31, 2016	As at February 29, 2016
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	12	6,149,438	7,292,064	5,580,000	6,790,000
Accounts payable and other payables					
Accounts payable		465,597	430,886	350,253	310,896
Other payables		1,178,435	1,362,153	1,553,472	1,965,910
Current portion of :					
Long-term borrowings	13	9,497,598	11,217,769	9,497,598	11,217,769
Long-term debentures	15	1,255,590	1,250,021	1,255,590	1,250,021
Accrued income tax		376,833	281,686	326,668	235,577
Payables per currency swap contracts	13	22,819	44,163	22,819	44,163
Other current liabilities		247,252	358,656	130,599	196,481
Total Current Liabilities		<u>19,193,562</u>	<u>22,237,398</u>	<u>18,716,999</u>	<u>22,010,817</u>
NON-CURRENT LIABILITIES					
Long-term borrowings	13	30,341,123	29,693,023	29,987,049	29,329,260
Long-term borrowings under securitization project	14	-	-	671,379	607,836
Long-term debentures	15	10,794,994	7,639,461	10,200,008	7,142,056
Payables per currency swap contracts	13	343,359	505,175	343,359	505,175
Subordinated borrowings	10.2	35,291	29,870	-	-
Employee benefit obligations	16	94,978	88,990	63,737	59,672
Other non-current liabilities		524	584	524	584
Total Non-Current Liabilities		<u>41,610,269</u>	<u>37,957,103</u>	<u>41,266,056</u>	<u>37,644,583</u>
TOTAL LIABILITIES		<u>60,803,831</u>	<u>60,194,501</u>	<u>59,983,055</u>	<u>59,655,400</u>

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT MAY 31, 2016**

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at May 31, 2016	As at February 29, 2016	As at May 31, 2016	As at February 29, 2016
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
(CONTINUED)					
SHAREHOLDERS' EQUITY	17				
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		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		7,098,730	6,582,881	6,775,292	6,249,126
OTHER COMPONENTS OF EQUITY					
Exchange differences on translating financial statements of foreign operations		(13,855)	(13,075)	-	-
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		12,687,875	12,172,806	12,378,292	11,852,126
NON-CONTROLLING INTERESTS		75,202	83,862	-	-
TOTAL SHAREHOLDERS' EQUITY		12,763,077	12,256,668	12,378,292	11,852,126
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>73,566,908</b>	<b>72,451,169</b>	<b>72,361,347</b>	<b>71,507,526</b>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS

FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2016

“UNAUDITED”

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the three-month		For the three-month	
		periods ended		periods ended	
		May, 31	May, 20	May, 31	May, 20
		2016	2015	2016	2015
REVENUES					
Credit card income	18	1,581,209	1,503,797	1,587,348	1,485,376
Loan income		2,263,328	2,117,751	2,249,646	2,099,585
Hire purchase income		104,896	103,741	43,503	56,101
Other income					
Bad debt recovery		112,577	134,820	108,994	131,686
Collection service income		51,557	52,372	3,050	4,737
Commission income		119,048	116,310	-	-
Gain (loss) on sale of leasehold improvement and equipment and intangible assets		(1,810)	(172)	(1,795)	670
Dividend income		-	-	45,000	90,708
Others		99,023	77,023	43,777	38,870
Total other income		380,395	380,353	199,026	266,671
Total Revenues		4,329,828	4,105,642	4,079,523	3,907,733
EXPENSES					
Operating and administrative expenses		1,847,112	1,690,636	1,683,140	1,571,272
Directors and managements' remuneration	19	33,082	31,991	18,830	19,893
Bad debts and doubtful accounts		1,240,258	1,154,998	1,165,045	1,100,328
Finance costs		551,637	574,106	575,905	542,635
Total Expenses		3,672,089	3,451,731	3,442,920	3,234,128
Share of profit from investment in associate		517	1,523	-	-
INCOME BEFORE INCOME TAX EXPENSE		658,256	655,434	636,603	673,605
INCOME TAX EXPENSE	20	136,968	132,015	110,437	106,776
<b>NET PROFIT FOR THE PERIOD</b>		<b>521,288</b>	<b>523,419</b>	<b>526,166</b>	<b>566,829</b>
NET PROFIT ATTRIBUTABLE TO :					
Owners of the parent		515,849	523,518	526,166	566,829
Non-controlling interests		5,439	(99)	-	-
		521,288	523,419	526,166	566,829
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	<b>2.06</b>	<b>2.09</b>	<b>2.10</b>	<b>2.27</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>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2016**  
**“UNAUDITED”**

**BAHT '000**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>For the three-month</b>		<b>For the three-month</b>	
	<b>periods ended</b>		<b>periods ended</b>	
	<b>May, 31</b>	<b>May, 20</b>	<b>May, 31</b>	<b>May, 20</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Net profit for the period	521,288	523,419	526,166	566,829
Other comprehensive loss, net of income tax				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translating				
financial statements of foreign operations				
- Owners of the parent	(780)	(7,447)	-	-
- Non-controlling interests	(2,262)	(24)	-	-
Other comprehensive loss for the period, net of income tax	(3,042)	(7,471)	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>518,246</b>	<b>515,948</b>	<b>526,166</b>	<b>566,829</b>
<b>TOTAL COMPREHENSIVE INCOME</b>				
<b>ATTRIBUTABLE TO :</b>				
Owners of the parent	515,069	516,071	526,166	566,829
Non-controlling interests	3,177	(123)	-	-
	<b>518,246</b>	<b>515,948</b>	<b>526,166</b>	<b>566,829</b>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2016**  
**“UNAUDITED”**

BAHT '000

	CONSOLIDATED FINANCIAL STATEMENTS							Non- controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Owners of the parent Retained earnings		Unappropriated	Other components of equity Exchange differences on translating financial statements of foreign operations	Total owners of the parent		
			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	4,842,294	(1,119)	10,444,175	645	10,444,820
Changes during the period									
Dividend paid	-	-	-	-	-	-	-	(15)	(15)
Net profit (loss) for the period	-	-	-	-	523,518	-	523,518	(99)	523,419
Other comprehensive loss	-	-	-	-	-	(7,447)	(7,447)	(24)	(7,471)
<b>Ending balance, as at May 20, 2015</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>5,365,812</u>	<u>(8,566)</u>	<u>10,960,246</u>	<u>507</u>	<u>10,960,753</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
 FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2016  
 "UNAUDITED"

BAHT '000

	CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)							Non- controlling interests	Total shareholders' equity
	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			
			Appropriated Legal reserve	Unappropriated Reserve for business expansion	Exchange differences on translating financial statements of foreign operations				
<b>Beginning balance, as at March 1, 2016</b>	250,000	478,000	25,000	4,850,000	6,582,881	(13,075)	12,172,806	83,862	12,256,668
Changes during the period									
Dividend paid	-	-	-	-	-	-	-	(11,837)	(11,837)
Net profit (loss) for the period	-	-	-	-	515,849	-	515,849	5,439	521,288
Other comprehensive loss	-	-	-	-	-	(780)	(780)	(2,262)	(3,042)
<b>Ending balance, as at May 31, 2016</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>7,098,730</u>	<u>(13,855)</u>	<u>12,687,875</u>	<u>75,202</u>	<u>12,763,077</u>

See condensed notes to the financial statements



AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2016  
“UNAUDITED”

BAHT '000

	SEPARATE FINANCIAL STATEMENTS				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 period						
Net profit for the period	-	-	-	-	566,829	566,829
<b>Ending balance, as at May 20, 2015</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>5,164,373</u>	<u>10,767,373</u>
<b>Beginning balance, as at March 1, 2016</b>	250,000	478,000	25,000	4,850,000	6,249,126	11,852,126
Changes during the period						
Net profit for the period	-	-	-	-	526,166	526,166
<b>Ending balance, as at May 31, 2016</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>6,775,292</u>	<u>12,378,292</u>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2016**  
**“UNAUDITED”**

BAHT '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the three-month		For the three-month	
		periods ended		periods ended	
		May, 31	May, 20	May, 31	May, 20
		2016	2015	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before income tax expense		658,256	655,434	636,603	673,605
Adjustments for:					
Shares of profit from investment in associate		(517)	(1,523)	-	-
Bad debts and doubtful accounts		1,240,258	1,154,998	1,165,045	1,100,328
Gain on devaluation in long-term borrowings under securitization project		-	-	(11,775)	-
Depreciation		89,732	79,881	66,975	66,389
Amortization of intangible assets		55,882	57,710	44,939	50,848
Employee benefit expense		5,988	4,955	4,065	4,381
Loss on sale of leasehold improvement and equipment		290	172	275	165
Gain on sale of intangible assets		(5)	-	(5)	(835)
Loss on written-off of leasehold improvement and equipment		1,525	426	1,525	-
Interest income		(2,401,285)	(2,243,194)	(2,162,512)	(2,029,004)
Dividend income		-	-	(45,000)	(90,707)
Finance costs		551,637	574,106	575,905	542,635
		<u>201,761</u>	<u>282,965</u>	<u>276,040</u>	<u>317,805</u>
Operating assets (increase) decrease					
Accounts receivable and other receivables		(2,558,418)	(2,013,715)	(3,982,388)	(3,503,776)
Other current assets		(12,026)	(43,133)	(1,303)	(243)
Other non-current assets		(18,015)	(3,426)	(19,890)	(2,717)
Operating liabilities increase (decrease)					
Accounts payable and other payables		26,215	96,682	107,398	182,978
Other current liabilities		(111,406)	51,250	(65,880)	13,402
Other non-current liabilities		(60)	(35)	(60)	(713)
Cash paid for operations		(2,471,949)	(1,629,412)	(3,686,083)	(2,993,264)
Proceeds from interest income		2,363,060	2,225,244	2,124,763	2,013,509
Finance costs paid		(751,637)	(759,191)	(769,042)	(728,554)
Income tax paid		(29,609)	(21,717)	(8,351)	(6,742)
Retirement benefit paid		-	(949)	-	(949)
Net cash used in operating activities		<u>(890,135)</u>	<u>(186,025)</u>	<u>(2,338,713)</u>	<u>(1,716,000)</u>

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2016**  
**“UNAUDITED”**

**BAHT '000**

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the three-month		For the three-month	
		periods ended		periods ended	
		May, 31	May, 20	May, 31	May, 20
		2016	2015	2016	2015
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from fixed deposits at banks under obligations		665	356	-	-
Cash paid for purchases of leasehold improvement and equipment		(58,157)	(7,629)	(48,559)	(1,113)
Cash paid for purchases in intangible assets		(21,963)	(65,846)	(13,903)	(64,292)
Proceeds from sale of leasehold improvement and equipment		114	-	113	-
Proceeds from sale of intangible assets		22	-	22	-
Cash paid for investment in a subsidiary		-	-	-	(32,925)
Net cash used in investing activities		<u>(79,319)</u>	<u>(73,119)</u>	<u>(62,327)</u>	<u>(98,330)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from sale of additional revolving receivables under securitization projects		-	-	1,597,067	1,603,884
Proceeds from bank overdrafts and short-term borrowings from financial institutions		86,815,355	49,913,174	86,184,692	49,109,993
Cash repayments for bank overdrafts and short-term borrowings from financial institutions		(87,957,980)	(51,078,902)	(87,394,692)	(50,339,993)
Proceeds from long-term borrowings		2,509,730	4,472,500	2,509,730	4,472,500
Cash repayments for long-term borrowings		(3,498,109)	(4,040,604)	(3,488,420)	(4,036,500)
Proceeds from long-term debentures		3,125,281	596,860	3,027,700	596,860
Proceeds from subordinated loan		5,421	-	-	-
Proceeds from long-term borrowings under securitization project		-	-	225,737	-
Cash repayments for long-term borrowings securitization project		-	-	(162,195)	-
Cash repayments for subordinated lending		-	-	(5,421)	-
Dividend paid		(498)	(15)	-	-
Net cash provided by (used in) financing activities		<u>999,200</u>	<u>(136,987)</u>	<u>2,494,198</u>	<u>1,406,744</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2016  
“UNAUDITED”

BAHT '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the three-month		For the three-month	
		periods ended		periods ended	
		May, 31	May, 20	May, 31	May, 20
		2016	2015	2016	2015
Net increase (decrease) in cash and cash equivalents		29,746	(396,131)	93,158	(407,586)
Decrease in exchange differences on translating financial statements of foreign operations		(3,042)	(7,471)	-	-
Cash and cash equivalents at beginning of the period		<u>3,808,571</u>	<u>2,769,448</u>	<u>3,129,591</u>	<u>2,218,371</u>
<b>Cash and cash equivalents at the end of the period</b>	5.1	<u><u>3,835,275</u></u>	<u><u>2,365,846</u></u>	<u><u>3,222,749</u></u>	<u><u>1,810,785</u></u>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
CONDENSED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2016  
“UNAUDITED”**

**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, 27th 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.

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 as mentioned in Note 3.4.

**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 and its subsidiaries maintain 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 interim consolidated and separate financial statements are prepared in compliance with Thai Accounting Standard No. 34 (Revised 2015) “Interim Financial Reporting” and practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements. Additional information is disclosed in accordance with the regulations of the Securities and Exchange Commission.

- 3.3 The interim consolidated and separate financial statements for the three-month periods ended May 31, 2016 and May 20, 2015 are prepared by the management of the Company and are unaudited. However, in the opinion of the Company, all adjustments necessary for a fair presentation have been reflected therein.

The consolidated and separate statements of financial position as at February 29, 2016, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the period then ended which have been audited.

- 3.4 The interim consolidated financial statements for the three-month periods ended May 31, 2016 and May 20, 2015 include the accounts of the Company and its subsidiaries by eliminating significant intercompany balances and transactions.

For the three-month periods ended May 31, 2016 and May 20, 2015, the subsidiaries included in the consolidated financial statements are as follows:

	Business type	Country of Registration	Registration Date	Percentage of direct and indirect holdings For the three-month periods ended	
				May 31, 2016	May 20, 2015
Eternal 4 Special Purpose Vehicle Company Limited*	Special purpose juristic person in securitization projects	Thailand	February 22, 2007	-	26.00
Eternal 5 Special Purpose Vehicle Company Limited**	Special purpose juristic person in securitization projects	Thailand	April 5, 2010	26.00	26.00
Eternal 6 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	March 14, 2013	26.00	26.00
AEON Specialized Bank (Cambodia) Plc.	Retail finance business	Cambodia	October 5, 2011	80.00	100.00
AEON Insurance Service (Thailand) Company Limited	Non-life insurance broker and life insurance broker	Thailand	July 1, 2013	100.00	100.00
ACS Servicing (Thailand) Company Limited	Collection servicer	Thailand	March 13, 2007	100.00	100.00
AEON Microfinance (Myanmar) Company Limited	Retail finance business	Myanmar	November 2, 2012	100.00	100.00
AEON Leasing Service (Lao) Company Limited***	Retail finance business	Laos	January 11, 2013	100.00	98.56
ATS Rabbit Special Purpose Vehicle Company Limited****	Special purpose juristic person in securitization projects	Thailand	March 20, 2015	48.75	-

\* Eternal 4 Special Purpose Vehicle Company Limited had registered the dissolution and the liquidation with the Department of Business Development, Ministry of Commerce on February 20, 2013, and June 17, 2015, respectively (see Notes 6.5 and 8.2).

\*\* 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 8.2).

\*\*\* 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 interim consolidated financial statements for the three-month periods ended May 31, 2016 and May 20, 2015 included equity interests in an associated company as follow:

	Business type	Country of Registration	Registration Date	Percentage of direct and indirect holdings	
				For the three-month periods ended	
				May 31, 2016	May 20, 2015
ACS Trading Vietnam Company Limited	Retail finance business	Vietnam	May 26, 2008	20.00	20.00

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

- 3.5 The financial statements of certain 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:

	The date of the end of the reporting period in preparation of the consolidated financial statements	
	For the three-month periods ended May 31, 2016	For the three-month periods ended May 20, 2015
<b>Subsidiaries</b>		
AEON Specialized (Cambodia) Bank Plc.	March 31, 2016	March 31, 2015
AEON Insurance Service (Thailand) Company Limited	March 31, 2016	March 31, 2015
ACS Servicing (Thailand) Company Limited	March 31, 2016	March 31, 2015
AEON Microfinance (Myanmar) Company Limited	March 31, 2016	March 31, 2015
AEON Leasing Service (Lao) Company Limited	March 31, 2016	March 31, 2015
<b>Associate</b>		
ACS Trading Vietnam Company Limited	March 31, 2016	March 31, 2015

- 3.6 Certain financial information which is normally included in the annual financial statements prepared in accordance with the Thai Financial Reporting Standards (TFRSs), but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements for the three-month period ended May 31, 2016 should be read in conjunction with the audited financial statements for the year ended February 20, 2016 and for the period from February 21 to 29, 2016.

- 3.7 Preparation of financial statements in conformity with the Thai Financial Reporting Standards (TFRSs), requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Although management has exercised judgment reasonably on these matters under the current events, actual result may differ from such estimates.
- 3.8 The unaudited results of operations presented in the three-month period ended May 31, 2016 are not necessarily an indication nor anticipation of the operating results for the full year.
- 3.9 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notifications regarding "Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities" which are announced in the Royal Gazette and effective for the financial statements for the accounting periods beginning on or after January 1, 2017 onwards

The Company's and its subsidiaries' management has assessed the impact of this Guideline Accounting and believes that it will not have material difference from the Draft Accounting Guidance which the Company adopted before the effective date.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the period from February 21 to 29, 2016.

#### 5. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

- 5.1 Cash and cash equivalents are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	"Unaudited"		"Unaudited"	
	As at	As at	As at	As at
	May 31,	February 29,	May 31,	February 29,
	2016	2016	2016	2016
	Baht' 000	Baht' 000	Baht' 000	Baht' 000
Cash	1,348,619	1,383,301	1,339,085	1,370,634
Deposits at bank - call deposits	2,486,656	2,425,270	1,883,664	1,758,957
Cash and cash equivalents	<u>3,835,275</u>	<u>3,808,571</u>	<u>3,222,749</u>	<u>3,129,591</u>



- 5.2 Cash paid for purchase of leasehold improvement and equipment and intangible assets for the three-month periods ended May 31, 2016 and May 20, 2015, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month		For the three-month	
	periods ended		periods ended	
	May 31,	May 20,	May 31,	May 20,
	2016	2015	2016	2015
	Baht '000	Baht '000	Baht '000	Baht '000
Leasehold improvement and equipment				
Liabilities recorded - brought forward	15,500	8,848	15,500	8,848
Purchase of leasehold improvement and equipment	50,750	19,565	41,152	13,049
	66,250	28,413	56,652	21,897
<u>Less</u> Cash payments for purchase of leasehold improvement and equipment	(58,157)	(7,629)	(48,559)	(1,113)
Liabilities recorded - carried forward	8,093	20,784	8,093	20,784
Intangible assets				
Liabilities recorded - brought forward	366	17,015	366	17,015
Purchase of intangible assets	25,114	61,085	17,054	59,531
	25,480	78,100	17,420	76,546
<u>Less</u> Cash payments for purchase of intangible assets	(21,963)	(65,846)	(13,903)	(64,292)
Liabilities recorded - carried forward	3,517	12,254	3,517	12,254

- 5.3 During the three-month periods ended May 31, 2016 and May 20, 2015, 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 loan Account of Baht 308.20 million and Baht 181.48 million, respectively, instead of cash receipt.
- 5.4 During the three-month period ended May 31, 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 Subordinated lendings Account and decreasing the Seller loan Account of Baht 5.42 million and Baht 33.07 million, respectively, instead of cash receipt.

## 6. ACCOUNTS RECEIVABLE

### 6.1 Accounts receivable consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at	As at	As at	As at
May 31,	February 29,	May 31,	February 29,	
2016	2016	2016	2016	
	Baht '000	Baht '000	Baht '000	Baht '000
Accounts receivable	64,070,524	62,694,464	59,806,361	59,086,148
Accounts receivable under securitization project				
- ATS Rabbit Special Purpose Vehicle				
Company Limited	671,379	607,836	671,379	607,836
Total	64,741,903	63,302,300	60,477,740	59,693,984
<u>Less</u> Allowance for doubtful accounts	(2,356,550)	(2,411,968)	(2,224,546)	(2,274,306)
Total accounts receivable	<u>62,385,353</u>	<u>60,890,332</u>	<u>58,253,194</u>	<u>57,419,678</u>
Accounts receivable due within 1 year	61,214,898	59,560,348	57,705,392	56,801,824
Accounts receivable due after than 1 year	1,170,455	1,329,984	547,802	617,854
Total	<u>62,385,353</u>	<u>60,890,332</u>	<u>58,253,194</u>	<u>57,419,678</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 “Accounting Guideline on Accounting regarding 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 May 31, 2016 and February 29, 2016, accounts receivable are as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
“Unaudited”						
	As at May 31, 2016			As at February 29, 2016		
	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	923,294	776,902	1,700,196	920,059	899,130	1,819,189
<u>Less</u> Unearned financing income	<u>(120,084)</u>	<u>(36,040)</u>	<u>(156,124)</u>	<u>(138,944)</u>	<u>(43,693)</u>	<u>(182,637)</u>
	803,210	740,862	1,544,072	781,115	855,437	1,636,552
<u>Less</u> Allowance for doubtful accounts	<u>(52,275)</u>	<u>-</u>	<u>(52,275)</u>	<u>(53,804)</u>	<u>-</u>	<u>(53,804)</u>
Hire-purchase and accrued interest receivable - net	<u>750,935</u>	<u>740,862</u>	<u>1,491,797</u>	<u>727,311</u>	<u>855,437</u>	<u>1,582,748</u>
<b>Loans receivable</b>						
Loans and accrued interest receivable	36,119,802	429,593	36,549,395	35,544,125	474,547	36,018,672
<u>Less</u> Allowance for doubtful accounts	<u>(1,368,165)</u>	<u>-</u>	<u>(1,368,165)</u>	<u>(1,398,264)</u>	<u>-</u>	<u>(1,398,264)</u>
Loans and accrued interest receivable - net	<u>34,751,637</u>	<u>429,593</u>	<u>35,181,230</u>	<u>34,145,861</u>	<u>474,547</u>	<u>34,620,408</u>
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	26,319,383	-	26,319,383	25,327,203	-	25,327,203
<u>Less</u> Allowance for doubtful accounts	<u>(936,110)</u>	<u>-</u>	<u>(936,110)</u>	<u>(959,900)</u>	<u>-</u>	<u>(959,900)</u>
Credit card and accrued interest receivable - net	<u>25,383,273</u>	<u>-</u>	<u>25,383,273</u>	<u>24,367,303</u>	<u>-</u>	<u>24,367,303</u>
<b>Receivable from rendering the collection service</b>	110,659	-	110,659	87,664	-	87,664
<b>Receivable from insurance broker business</b>	<u>218,394</u>	<u>-</u>	<u>218,394</u>	<u>232,209</u>	<u>-</u>	<u>232,209</u>
<b>Total accounts receivable</b>	<u><u>61,214,898</u></u>	<u><u>1,170,455</u></u>	<u><u>62,385,353</u></u>	<u><u>59,560,348</u></u>	<u><u>1,329,984</u></u>	<u><u>60,890,332</u></u>

SEPARATE FINANCIAL STATEMENTS

“Unaudited”

	As at May 31, 2016			As at February 29, 2016		
	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	573,697	254,539	828,236	641,045	301,449	942,494
<u>Less</u> Unearned financing income	(120,084)	(36,040)	(156,124)	(138,944)	(43,693)	(182,637)
	453,613	218,499	672,112	502,101	257,756	759,857
<u>Less</u> Allowance for doubtful accounts	(30,593)	-	(30,593)	(32,842)	-	(32,842)
Hire-purchase and accrued interest receivable - net	423,020	218,499	641,519	469,259	257,756	727,015
<b>Loans receivable</b>						
Loans and accrued interest receivable	35,721,160	329,303	36,050,463	35,188,282	360,098	35,548,380
<u>Less</u> Allowance for doubtful accounts	(1,359,439)	-	(1,359,439)	(1,391,862)	-	(1,391,862)
Loans and accrued interest receivable - net	34,361,721	329,303	34,691,024	33,796,420	360,098	34,156,518
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	23,755,165	-	23,755,165	23,385,747	-	23,385,747
<u>Less</u> Allowance for doubtful accounts	(834,514)	-	(834,514)	(849,602)	-	(849,602)
Credit card and accrued interest receivable - net	22,920,651	-	22,920,651	22,536,145	-	22,536,145
<b>Total accounts receivable</b>	<u>57,705,392</u>	<u>547,802</u>	<u>58,253,194</u>	<u>56,801,824</u>	<u>617,854</u>	<u>57,419,678</u>

6.2 Quality of assets

Accounts receivable classified by aging as at May 31, 2016 and February 29, 2016, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at May 31, 2016 Baht '000	As at February 29, 2016 Baht '000	As at May 31, 2016 Baht '000	As at February 29, 2016 Baht '000
Less than 3 months	62,807,376	61,210,162	58,652,989	57,725,400
3 months up	1,934,527	2,092,138	1,824,751	1,968,584
Total	64,741,903	63,302,300	60,477,740	59,693,984
<u>Less</u> Allowance for doubtful accounts	(2,356,550)	(2,411,968)	(2,224,546)	(2,274,306)
Total accounts receivable	<u>62,385,353</u>	<u>60,890,332</u>	<u>58,253,194</u>	<u>57,419,678</u>

### 6.3 Troubled debt restructuring

For the three-month periods ended May 31, 2016 and May 20, 2015, the Company had recognized interest income on restructured debts totaling Baht 105.56 million and Baht 100.25 million, respectively.

The Company had the outstanding balances of credit card receivables, hire-purchase receivables and loan receivables as at May 31, 2016 and February 29, 2016, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	“Unaudited”			
	As at May 31, 2016		As at February 29, 2016	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	49,660	1,573,678	51,527	1,671,702
Non-restructured accounts receivable	3,649,253	62,839,172	3,619,821	61,310,725
<b>Total</b>	<b>3,698,913</b>	<b>64,412,850</b>	<b>3,671,348</b>	<b>62,982,427</b>

	SEPARATE FINANCIAL STATEMENTS			
	“Unaudited”			
	As at May 31, 2016		As at February 29, 2016	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	49,660	1,573,678	51,527	1,671,702
Non-restructured accounts receivable	3,359,185	58,904,062	3,346,756	58,022,282
<b>Total</b>	<b>3,408,845</b>	<b>60,477,740</b>	<b>3,398,283</b>	<b>59,693,984</b>

As at May 31, 2016 and February 29, 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 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at May 31, 2016	As at February 29, 2016	As at May 31, 2016	As at February 29, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	2,411,968	2,403,280	2,274,306	2,266,118
Bad debts and doubtful accounts	1,240,258	8,688	1,165,045	8,188
Gain on devaluation of long-term borrowings under securitization project	-	-	11,775	-
Written-off bad debts	(1,295,676)	-	(1,226,580)	-
<b>Ending balance</b>	<b>2,356,550</b>	<b>2,411,968</b>	<b>2,224,546</b>	<b>2,274,306</b>

## 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:

		Eternal 5*	Eternal 6**	ATS Rabbit***
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 10)	Baht	1,438,000,000	1,399,351,988	50,081,313
Minimum seller loan - pari passu with debentures (see Note 9)	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 8.2).

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 10.1). 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.

For the three-month periods ended May 31, 2016 and May 20, 2015, transactions relating to the transfer of financial assets under the securitization projects are summarized as follows:

	<b>For the three-month periods ended</b>	
	<b>May 31, 2016</b>	<b>May 20, 2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Transfers of future receivables (at book value)		
- Credit card receivable (Eternal 6)	1,411	1,604
- Loan receivable (ATS Rabbit)	186	-
	<u>1,597</u>	<u>1,604</u>
Cash collection on behalf of Special Purpose Vehicles		
- Credit card receivable (Eternal 6)	1,678	1,856
- Loan receivable (ATS Rabbit)	206	-
	<u>1,884</u>	<u>1,856</u>
Servicing income on cash collection from Special Purpose Vehicles		
- Credit card receivable (Eternal 6)	62	65
- Loan receivable (ATS Rabbit)	9	-
	<u>71</u>	<u>65</u>

As at May 31, 2016 and February 29, 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>“Unaudited”</b>	
	<b>As at May 31, 2016</b>	<b>As at February 29, 2016</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Credit card receivables (included accrued interest income) - Eternal 6		
Less than 3 months	4,122	4,225
3 months up	78	95
	<u>4,200</u>	<u>4,320</u>
<u>Less</u> Allowance for doubtful accounts	(102)	(110)
Total	<u>4,098</u>	<u>4,210</u>

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

As at May 31, 2016 and February 29, 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.



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

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

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

As at May 31, 2016 and February 29, 2016, the Company had investment in the entity which is associate and accounted for equity method in the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS						
“Unaudited”						
		As at May 31, 2016		As at February 29, 2016		
Paid-up	% of	Investment	Investment	Investment	Investment	
Capital	Ownership	(Cost	(Equity	(Cost	(Equity	
		method)	method)	method)	method)	
		Baht '000	Baht '000	Baht '000	Baht '000	
<b>Investment in associate</b>						
ACS Trading Vietnam						
Company Limited	VND 50,000 million	20.00	16,819.3	41,761.8	16,819.3	41,245.2
<b>Total investment in associate</b>			<u>16,819.3</u>	<u>41,761.8</u>	<u>16,819.3</u>	<u>41,245.2</u>

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

As at May 31, 2016 and February 29, 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				
“Unaudited”				
As at May 31, 2016		As at February 29, 2016		
% of	Cost	% of	Cost	
Ownership	Baht '000	Ownership	Baht '000	
<b>Investment in associate and subsidiaries</b>				
Investment in associate (see Note 21.1)				
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 21.1)				
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 year ended February 20, 2016, the Company paid Baht 100.57 million 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.

8.3 Long-term investments in related companies consist of:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS "Unaudited"				
As at May 31, 2016		As at February 29, 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
			<u>35,217</u>	<u>35,217</u>
	<u>Less</u> Allowance for impairment of investment		<u>(8,500)</u>	<u>(8,500)</u>
	<b>Total long-term investments in related companies</b>		<u>26,717</u>	<u>26,717</u>

9. SELLER LOAN IN SPECIAL PURPOSE VEHICLES FOR SECURITIZATION

Seller loan in Special Purpose Vehicles for securitization as at May 31, 2016 and February 29, 2016, are as follows:

SEPARATE FINANCIAL STATEMENTS "Unaudited"		
	As at May 31, 2016 Baht '000	As at February 29, 2016 Baht '000
Seller loan in Special Purpose Vehicle for securitization (see Note 21.2.1)		
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	2,802,062	2,493,858
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	29,747	62,817
Total	<u>2,831,809</u>	<u>2,556,675</u>
<u>Less</u> Seller loan amounts in Special Purpose Vehicles for securitization due within one year	<u>(2,831,809)</u>	<u>(2,556,675)</u>
<b>Total Seller loan in Special Purpose Vehicles for Securitization</b>	<u>-</u>	<u>-</u>

(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 projects 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 Companies for purchase of Future Receivables and Additional Receivables when such Special Purpose Vehicle Companies' 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 Companies. 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.

**10. SUBORDINATED LENDINGS AND SUBORDINATED BORROWINGS**

10.1 Subordinated lendings with Special Purpose Vehicles as at May 31, 2016 and February 29, 2016, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS "Unaudited"	
	As at May 31, 2016 Baht '000	As at February 29, 2016 Baht '000
Subordinated lendings (see Note 21.2.1)		
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	1,399,352	1,399,352
<u>Less Subordinated lendings due within one year</u>	<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 “Unaudited”	
	As at May 31, 2016 Baht '000	As at February 29, 2016 Baht '000
Subordinated lendings (see Note 21.2.1)		
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	1,399,352	1,399,352
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	35,291	29,870
Total	1,434,643	1,429,222
<u>Less</u> Subordinated lendings due within one year	(1,399,352)	(1,399,352)
<b>Total subordinated lendings</b>	<b>35,291</b>	<b>29,870</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 transferred rights in initial receivables (see Note 6.5) and originated transaction cost and of Future Receivables and Additional Receivables which are settled by Seller Loan Account and backed for each debentures issuance of ATS Rabbit, for the purpose of partial payment for the sales of rights in loan receivables.

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.

10.2 Subordinated borrowings in Special Purpose Vehicle as at May 31, 2016 and February 29, 2016, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”	
	As at	As at
	May 31, 2016	February 29, 2016
	Baht '000	Baht '000
Subordinated borrowings		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	35,291	29,870
<b>Total subordinated borrowings</b>	<u>35,291</u>	<u>29,870</u>

On October 22, 2015, ATS Rabbit, a subsidiary, entered into the subordinated term borrowings agreement with BSS Holdings amounting to 5% of transferred rights in initial receivables (see Note 6.5) and originated transaction cost and of Future Receivables and Additional Receivables which are settled by Seller Loan Account and backed for each debentures issuance of ATS Rabbit, for the purpose of partial payment for the purchase of rights in loan receivables.

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.

## 11. DEFERRED TAX ASSETS

Deferred tax assets consist of:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at	As at	As at	As at
	May 31, 2016	February 29, 2016	May 31, 2016	February 29, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	469,301	481,107	444,909	454,861
Non-accrual of interest income	70,928	65,194	68,905	63,290
Employee benefit obligation	18,996	17,803	12,747	11,934
Others	32,051	28,856	32,380	28,339
	<u>591,276</u>	<u>592,960</u>	<u>558,941</u>	<u>558,424</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	142,918	131,406	142,918	131,406
Others	1,471	2,455	-	-
	<u>144,389</u>	<u>133,861</u>	<u>142,918</u>	<u>131,406</u>
<b>Deferred tax assets</b>	<u>446,887</u>	<u>459,099</u>	<u>416,023</u>	<u>427,018</u>

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

CONSOLIDATED FINANCIAL STATEMENTS "Unaudited"				
	Balance as at February 29, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at May 31, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	481,107	(11,806)	-	469,301
Non-accrual of interest income	65,194	5,734	-	70,928
Employee benefit obligation	17,803	1,193	-	18,996
Others	28,856	3,195	-	32,051
	<u>592,960</u>	<u>(1,684)</u>	<u>-</u>	<u>591,276</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	131,406	11,512	-	142,918
Others	2,455	(984)	-	1,471
	<u>133,861</u>	<u>10,528</u>	<u>-</u>	<u>144,389</u>
<b>Deferred tax assets</b>	<u>459,099</u>	<u>(12,212)</u>	<u>-</u>	<u>446,887</u>

CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at February 20, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at 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>

SEPARATE FINANCIAL STATEMENTS  
“Unaudited”

	Balance as at February 29, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at May 31, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	454,861	(9,952)	-	444,909
Non-accrual of interest income	63,290	5,615	-	68,905
Employee benefit obligation	11,934	813	-	12,747
Others	28,339	4,041	-	32,380
	<u>558,424</u>	<u>517</u>	<u>-</u>	<u>558,941</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	131,406	11,512	-	142,918
	<u>131,406</u>	<u>11,512</u>	<u>-</u>	<u>142,918</u>
<b>Deferred tax assets</b>	<u>427,018</u>	<u>(10,995)</u>	<u>-</u>	<u>416,023</u>

SEPARATE FINANCIAL STATEMENTS

	Balance as at February 20, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at 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>

12. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term borrowings from financial institutions consist of the following:

CONSOLIDATED FINANCIAL STATEMENTS  
“Unaudited”

	As at May 31, 2016		As at February 29, 2016	
	Interest rate	Baht '000	Interest rate	Baht '000
	%		%	
Overdrafts in THB currency	1.70	2,280,000	1.70	2,980,000
Short-term borrowings in THB currency	1.60 - 1.70	3,300,000	1.60 - 1.85	3,810,000
Short-term borrowings in USD currency	1.37 - 1.73	442,238	1.03 - 1.53	432,514
Short-term borrowings in LAK currency	7.12 - 9.00	71,720	6.22 - 10.50	49,950
Short-term borrowings in MMK currency	12.50	55,480	1.25	19,600
<b>Total</b>		<u>6,149,438</u>		<u>7,292,064</u>



**SEPARATE FINANCIAL STATEMENTS**  
**“Unaudited”**

	As at May 31, 2016		As at February 29, 2016	
	Interest rate	Baht '000	Interest rate	Baht '000
	%		%	
Overdrafts in THB currency	1.70	2,280,000	1.70	2,980,000
Short-term borrowings in THB currency	1.60 - 1.70	<u>3,300,000</u>	1.60 - 1.85	<u>3,810,000</u>
<b>Total</b>		<u><u>5,580,000</u></u>		<u><u>6,790,000</u></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.

**13. LONG-TERM BORROWINGS**

As at May 31, 2016 and February 29, 2016, the Company entered into various long-term borrowings agreements and issued promissory notes in Baht and foreign currencies as follows:

**CONSOLIDATED FINANCIAL STATEMENTS**  
**“Unaudited”**

	As at May 31, 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	16,536,261
Borrowings in USD currency	2016 - 2020	2.16 - 4.32	455.00	16,347,285
Borrowings in THB currency	2016 - 2018	3.08 - 4.80	7,050.00	7,050,000
<u>Less</u> Borrowings issuance cost				<u>(94,825)</u>
				39,838,721
<u>Less</u> Current portion of long-term Borrowings				<u>(9,497,598)</u>
<b>Total long-term borrowings</b>				<u><u>30,341,123</u></u>

**CONSOLIDATED FINANCIAL STATEMENTS**  
**“Unaudited”**

	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	3.08 - 4.80	8,150.00	8,150,000
<u>Less</u> Borrowings issuance cost				<u>(101,029)</u>
				40,910,792
<u>Less</u> Current portion of long-term Borrowings				<u>(11,217,769)</u>
<b>Total long-term borrowings</b>				<u><u>29,693,023</u></u>

SEPARATE FINANCIAL STATEMENTS "Unaudited" As at May 31, 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	16,536,261
Borrowings in USD currency	2016 - 2020	2.22 - 4.32	445.00	15,993,211
Borrowings in THB currency	2016 - 2018	3.08 - 4.80	7,050.00	7,050,000
<u>Less</u> Borrowings issuance cost				<u>(94,825)</u>
				39,484,647
<u>Less</u> Current portion of long-term Borrowings				<u>(9,497,598)</u>
<b>Total long-term borrowings</b>				<b><u>29,987,049</u></b>

SEPARATE FINANCIAL STATEMENTS "Unaudited" 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	3.08 - 4.80	8,150.00	8,150,000
<u>Less</u> Borrowings issuance cost				<u>(101,029)</u>
				40,547,029
<u>Less</u> Current portion of long-term Borrowings				<u>(11,217,769)</u>
<b>Total long-term borrowings</b>				<b><u>29,329,260</u></b>

In the consolidated and separate financial statements as at May 31, 2016 and February 29, 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 1,625.11 million and JPY 5,000 million or equivalent to Baht 1,591.40 million, respectively, with interest rate at 4.16% - 4.84% per annum which are unsecured and will be due in the years 2019 and 2021 (see Note 21.2.1).

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 "Unaudited" As at May 31, 2016				
	Notional amount Baht '000	Less than 1 year Baht '000	Carrying amount 1 - 5 years Baht '000	Total Baht '000
<b>Receivable per currency swap contracts</b>				
Cross Currency Swap Contracts				
JPY currency	945,000	-	33,477	33,477
USD currency	469,425	69,672	-	69,672
Cross Currency Interest Rate Swap Contracts				
JPY currency	6,035,000	-	651,260	651,260
USD currency	13,641,430	297,103	976,484	1,273,587
	<u>21,090,855</u>	<u>366,775</u>	<u>1,661,221</u>	<u>2,027,996</u>
<b>Payable per currency swap contracts</b>				
Cross Currency Interest Rate Swap Contracts				
JPY currency	9,232,000	(22,819)	(337,656)	(360,475)
USD currency	544,800	-	(5,703)	(5,703)
	<u>9,776,800</u>	<u>(22,819)</u>	<u>(343,359)</u>	<u>(366,178)</u>

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>

#### 14. LONG-TERM BORROWINGS UNDER SECURITIZATION PROJECT

As at May 31, 2016 and February 29, 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 671.38 million and Baht 607.84 million, respectively.

## 15. LONG-TERM DEBENTURES

Long-term debentures represent unsubordinated and unsecured debentures as follows:

Issue date	Maturity Date	No. of Units	Currency	Par value per unit	Amount	Interest rate %	Term of interest payment	"Unaudited"	
								As at May 31, 2016 Baht '000	As at February 29, 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	539,097	537,362
16/12/2011	16/12/2016	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.80	Semi-annual	718,796	716,482
30/08/2012	30/08/2017	30	USD	1,000,000	30,000,000	USD-LIBOR 3M	Quarterly	1,078,194	1,074,723
13/09/2012	13/09/2017	20	USD	1,000,000	20,000,000	USD-LIBOR 3M + 0.20	Quarterly	718,796	716,482
24/07/2013	29/07/2018	17	USD	1,000,000	17,000,000	USD-LIBOR 6M + 0.01	Semi-annual	610,976	609,010
29/11/2013	29/11/2018	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.05	Semi-annual	1,078,194	1,074,723
28/03/2014	28/03/2019	30	USD	1,000,000	30,000,000	USD-LIBOR 6M	Semi-annual	1,078,194	1,074,723
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	539,097	537,362
27/03/2015	27/03/2019	22	JPY	100,000,000	2,200,000,000	JPY-TIBOR 6M + 0.36	Semi-annual	717,550	702,876
23/02/2016	21/02/2019	200,000	THB	1,000	200,000,000	2.87	Semi-annual	200,000	200,000
25/03/2016	25/03/2020	70	USD	1,000,000	70,000,000	USD-LIBOR 6M + 0.65	Semi-annual	2,515,786	-
28/03/2016	27/03/2020	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.50	Semi-annual	539,097	-
								11,533,777	8,443,743
<u>Less</u> Debenture issuance cost								(78,179)	(51,666)
								11,455,598	8,392,077
<u>Less</u> Current portion of long-term debentures								(1,255,590)	(1,250,021)
<b>Total long-term debentures in separate financial statements</b>								<b>10,200,008</b>	<b>7,142,056</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	497,405	410,469
18/01/2016	28/10/2025	86,936	Baht	1,000	86,936,000	4.00	Monthly	97,581	86,936
								594,986	497,405
<b>Total long-term debentures in consolidated financial statements</b>								<b>10,794,994</b>	<b>7,639,461</b>

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:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
"Unaudited"				
As at May 31, 2016				
Notional amount	Carrying amount			Total
	Less than 1 year	1 - 5 years		
Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Receivable per currency interest rate swap contracts</b>				
Cross Currency Interest Rate Swap Contracts				
JPY currency	596,860	-	120,690	120,690
USD currency	8,614,600	175,843	625,785	801,628
	<u>9,211,460</u>	<u>175,843</u>	<u>746,475</u>	<u>922,318</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
As at February 29, 2016

	Notional amount  Baht '000	Carrying amount		
		Less than 1 year Baht '000	1 - 5 years Baht '000	Total Baht '000
<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>

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 which are eliminated against credit card receivables in the consolidated financial statements as at May 31, 2016 and February 29, 2016, are as follows:

Debenture Classes	Maturity date	Amount  Baht' 000	Interest rate  %	"Unaudited"	
				As at May 31, 2016 Baht '000	As at February 29, 2016 Baht '000
<b>Eternal 6 Special Purpose Vehicle Co., Ltd.</b>					
ClassA-sf	June 8, 2018	2,960,000	3.83	237,609	980,079
				<u>237,609</u>	<u>980,079</u>

As at May 31, 2016 and February 29, 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 23.5).

**16. EMPLOYEE BENEFIT OBLIGATIONS**

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

For the three-month periods ended May 31, 2016 and May 20, 2015, 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 three-month periods ended		For the three-month periods ended	
	May 31, 2016	May 20, 2015	May 31, 2016	May 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Current service cost	5,301	4,365	3,615	3,829
Interest cost	687	590	450	552
Total	<u>5,988</u>	<u>4,955</u>	<u>4,065</u>	<u>4,381</u>

Movements in the present value of the post-employment benefit obligations for the three-month periods ended May 31, 2016 and May 20, 2015, are as follows:

	CONSOLIDATED		SEPARATED	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	May 31, 2016	May 20, 2015	May 31, 2016	May 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	88,990	76,220	59,672	71,346
Current service cost	5,301	4,365	3,615	3,829
Interest cost	687	590	450	552
Benefit paid	-	(949)	-	(18,806)
Ending balance	<u>94,978</u>	<u>80,226</u>	<u>63,737</u>	<u>56,921</u>

The significant actuarial assumptions used to calculate the obligation under the defined benefit plans as at May 31, 2016 and February 29, 2016 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	"Unaudited"	
	As at May 31, 2016	As at February 29, 2016
	% per annum	% 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 - 24.0	0.0 - 26.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 51.0	0.0 - 57.0
	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

SEPARATE FINANCIAL STATEMENTS		
“Unaudited”		
	As at May 31, 2016	As at February 29, 2016
	% per annum	% 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
Daily staff	0.0 - 51.0	0.0 - 51.0
	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

## 17. SHAREHOLDERS' EQUITY

- 17.1 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.
- 17.2 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.
- 17.3 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 after the approval of Board of Directors' meeting on a monthly basis at each Monthly Purchase Date as an appropriation of net profit after income tax of each month.
- 17.3.1 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.

17.3.2 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 subsidiary 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.

**18. REVENUE RELATING TO SECURITIZATION TRANSACTION**

For the three-month periods ended May 31, 2016 and May 20, 2015, the details of revenues from securitization transaction consist of the following:

18.1 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 three-month periods ended	
	May 31, 2016	May 20, 2015
	Baht '000	Baht '000
Credit Card Income (see Note 21.2.2)		
Interest income from subordinated lending	46,466	40,946
Revenue from seller loan in Special Purpose Vehicle	6,536	3,932
Dividend from investment in Special Purpose Vehicle	42,663	50,264
Servicing income	61,973	65,348
Total	157,638	160,490

18.2 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 three-month periods ended	
	May 31, 2016	May 20, 2015
	Baht '000	Baht '000
Loan Income (see Note 21.2.2)		
Interest income from subordinated lending	962	-
Revenue from seller loan in Special Purpose Vehicle	1,820	-
Dividend from investment in Special Purpose Vehicle	11,822	-
Servicing income	8,542	-
Total	23,146	-



## 19. DIRECTORS AND MANagements' 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 three-month periods ended May 31, 2016 and May 20, 2015, directors and managements' remuneration are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	May 31, 2016	May 20, 2015	May 31, 2016	May 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Managements' remuneration	26,446	25,406	13,254	14,427
Directors' remuneration	5,898	5,875	5,000	5,000
Post-employment benefits	738	710	576	466
	<u>33,082</u>	<u>31,991</u>	<u>18,830</u>	<u>19,893</u>

For the three-month periods ended May 31, 2016 and May 20, 2015, directors' remunerations which were included in short-term employee benefits were approved by the ordinary shareholders' meetings of the Company held on June 17, 2016 and June 12, 2015, respectively.

## 20. CORPORATE INCOME TAX

The Company and its local subsidiaries used tax rate of 20% for corporate income tax calculation for the three-month periods ended May 31, 2016 and May 20, 2015. The foreign subsidiaries used 20%-25% for corporate income tax calculation for the three-month period ended May 31, 2016 and May 20, 2015.

The Company and its subsidiaries used tax rate of 20% for calculation of deferred tax for the three-month periods ended May 31, 2016 and May 20, 2015. The foreign subsidiaries used 20%-25% for calculation of deferred tax for the three-month periods ended May 31, 2016 and May 20, 2015.

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 three-month periods ended May 31, 2016 and May 20, 2015, income tax consists of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	May 31, 2016	May 20, 2015	May 31, 2016	May 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the periods	124,756	119,415	99,442	94,515
Deferred income tax expense	12,212	12,600	10,995	12,261
Income tax expense per statements of profit or loss	<u>136,968</u>	<u>132,015</u>	<u>110,437</u>	<u>106,776</u>

Reconciliations of effective tax rates for the three-month periods ended May 31, 2016 and May 20, 2015 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month periods ended May 31, 2016		For the three-month periods ended May 20, 2015	
	Amount	Rate	Amount	Rate
	Baht '000	%	Baht '000	%
Profit before income tax expense	<u>658,256</u>		<u>655,434</u>	
Income tax at the domestic tax rate	151,922	20.00 - 25.00	157,150	20.00 - 25.00
<u>Add</u> Tax effect of income and expense that are not exempt for tax purposes	2,318	0.35	3,163	0.48
<u>Less</u> Tax effect of income and expense that are exempt for tax purposes	<u>(17,272)</u>	<u>(2.62)</u>	<u>(28,298)</u>	<u>(4.32)</u>
Income tax expense per statements of profit or loss	<u>136,968</u>	<u>20.81</u>	<u>132,015</u>	<u>20.14</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month periods ended May 31, 2016		For the three-month periods ended May 20, 2015	
	Amount	Rate	Amount	Rate
	Baht '000	%	Baht '000	%
Profit before income tax expense	<u>636,603</u>		<u>673,605</u>	
Income tax at the domestic tax rate	127,321	20.00	134,721	20.00
<u>Add</u> Tax effect of income and expense that are not exempt for tax purposes	280	0.04	352	0.05
<u>Less</u> Tax effect of income and expense that are exempt for tax purposes	<u>(17,164)</u>	<u>(2.70)</u>	<u>(28,297)</u>	<u>(4.20)</u>
Income tax expense per statements of profit or loss	<u>110,437</u>	<u>17.34</u>	<u>106,776</u>	<u>15.85</u>

## 21. 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:

21.1 Investments in associate and subsidiaries (see Note 8.2) are as follows:

Related parties	Relationship	Paid-up Capital Baht' 000	% Ownership	SEPARATE FINANCIAL STATEMENTS "Unaudited"	
				As at May 31, 2016 Cost Baht '000	As at February 29, 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				16,819.3	16,819.3
<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				957,411.9	957,411.9
<b>Total investments in associate and subsidiaries</b>				<b>974,231.2</b>	<b>974,231.2</b>

## 21.2 Business transactions with related parties

### 21.2.1 Balances with related parties are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
		As at May 31, 2016 Baht '000	As at February 29, 2016 Baht '000	As at May 31, 2016 Baht '000	As at February 29, 2016 Baht '000
<b>Accounts receivable under securitization project</b> (see Note 6.1)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	671,379	607,836
<b>Other receivables</b>					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	86,854	128,244
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	48,347	1,405
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	3,768	11,394
AEON Financial Service Co., Ltd.	Major shareholder	58	712	58	712
AEON Credit Service Company Limited	Common ultimate holding company	29	10	-	10
AEON Bank Ltd.	Common ultimate holding company	168	-	-	-
ACS Capital Corporation Limited	Shareholder and one common director	7,550	5,093	294	225
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	103	226
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	15,183	12,496
AEON Microfinance (Myanmar) Company Limited	Subsidiary	-	-	5	-
ACS Trading Vietnam Company Limited	Associate	5	-	5	-
		<u>7,810</u>	<u>5,815</u>	<u>154,617</u>	<u>154,712</u>
<b>Short-term loan (see Note 7)</b>					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	100,000	100,000
<b>Seller loan in Special Purpose Vehicle for Securitization (see Note 9)</b>					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	2,802,062	2,493,858
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	29,747	62,817
		<u>-</u>	<u>-</u>	<u>2,831,809</u>	<u>2,556,675</u>
<b>Subordinated lending (see Note 10)</b>					
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	-	-	35,291	29,870
		<u>1,399,522</u>	<u>1,399,522</u>	<u>1,434,643</u>	<u>1,429,222</u>

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
		As at May 31, 2016 Baht '000	As at February 29, 2016 Baht '000	As at May 31, 2016 Baht '000	As at February 29, 2016 Baht '000
<b>Long-term borrowings</b> (see Note 13)					
AEON Bank Ltd.	Common ultimate holding company	1,625,109	1,591,401	1,625,109	1,591,401
<b>Accounts payable</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	119,949	123,380
<b>Other payables</b>					
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	44	44
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	350,554	640,318
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	4,349	1,821
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	148,760	114,112
AEON (Thailand) Company Limited	Holding shares and two common directors	46	-	46	-
AEON Financial Service Co., Ltd.	Major shareholder	13,375	33,384	13,375	33,384
AEON Credit Service Company Limited	Common ultimate holding company	16,092	11,059	3,980	6,471
ACS Capital Corporation Limited	Shareholder and one common director	477	9	488	9
AEON Credit Service Systems (Philippines) Inc.	Holding shares	54	14	-	-
AEON Bank Ltd.	Common ultimate holding company	374	-	214	-
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	141	593	-	-
AEON Credit Card (Taiwan) Co., Ltd.	Common ultimate holding company	2,603	-	-	-
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	28,367	36,260
		<u>33,162</u>	<u>45,059</u>	<u>550,177</u>	<u>832,419</u>
<b>Long-term borrowing under securitization project</b> (see Note 14)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	671,379	607,836
<b>Deposit received</b>					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	7,459	-
<b>Deferred revenue</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	584	584

21.2.2 Transactions with related parties for the three-month periods ended May 31, 2016 and May 20, 2015, are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the three-month periods ended		For the three-month periods ended	
		May 31, 2016 Baht '000	May 20, 2015 Baht '000	May 31, 2016 Baht '000	May 20, 2015 Baht '000
<b>Sales promotion income</b>					
AEON Insurance Services (Thailand) Company Limited	Subsidiary	-	-	2,826	2,985
<b>Credit card income</b>					
AEON Insurance Services (Thailand) Company Limited	Subsidiary	-	-	85,046	82,613
<b>Revenue relating to securitization transaction</b> (including in credit card income and loan income)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	157,638	160,490
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	23,146	-
		<u>-</u>	<u>-</u>	<u>180,784</u>	<u>160,490</u>
<b>Dividend income</b>					
AEON Insurance Services (Thailand) Company Limited	Subsidiary	-	-	45,000	45,000
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	-	17,908
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	-	27,800
		<u>-</u>	<u>-</u>	<u>45,000</u>	<u>90,708</u>
<b>Other income</b>					
ACS Capital Corporation Limited	Shareholder and one common director	3,000	3,878	3,000	3,655
AEON Insurance Services (Thailand) Company Limited	Subsidiary	-	-	15,025	17,297
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	8,757	7,089
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	88	-
AEON (Thailand) Company Limited	Holding shares and two common directors	41	40	41	40
		<u>3,041</u>	<u>3,918</u>	<u>26,911</u>	<u>28,081</u>
<b>Gain on sale of leasehold improvement and equipment</b>					
ACS Capital Corporation Limited	Shareholder and one common director	-	-	3	-
<b>Operating and administrative expenses</b>					
<b>Collection service fee</b>					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	309,960	165,037
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,662	-
		<u>-</u>	<u>-</u>	<u>311,622</u>	<u>165,037</u>

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the three-month		For the three-month	
		periods ended		periods ended	
		May 31, 2016	May 20, 2015	May 31, 2016	May 20, 2015
		Baht '000	Baht '000	Baht '000	Baht '000
<b>Others</b>					
AEON Financial Service Company Limited	Major shareholder	20,159	12,804	20,159	12,804
AEON Credit Service Company Limited	Common ultimate holding company	12,141	11,368	3,973	4,545
AEON (Thailand) Company Limited	Holding shares and two common directors	3,948	3,353	3,948	3,353
AEON Insurance Services (Thailand) Company Limited	Subsidiary	-	-	2,342	322
AEON Credit Service Systems (Philippines) Inc.	Holding shares	5,312	2,691	4,640	2,244
ACS Capital Corporation Limited	Shareholder and one common director	12,176	10,953	11,951	10,518
AEON Bank Ltd.	Common ultimate holding company	-	394	-	394
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	526	-
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	615	613	-	-
		54,351	42,176	47,539	34,180

- Other income for the three-month periods ended May 31, 2016 and May 20, 2015 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.

## 22. 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 presented by business segment as follows:

### 22.1 Operating results classified by business are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
For the three-month period ended May 31, 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	4,138,838	102,177	88,813	-	4,329,828
Inter - segment revenues	-	-	464,120	(464,120)	-
	<u>4,138,838</u>	<u>102,177</u>	<u>552,933</u>	<u>(464,120)</u>	<u>4,329,828</u>
Expenses					
Operating and administrative expenses	1,696,083	78,176	491,480	(418,627)	1,847,112
Directors and managements' remuneration	18,830	8,770	5,482	-	33,082
Bad debts and doubtful accounts	1,230,890	9,368	-	-	1,240,258
Finance cost	545,577	6,060	493	(493)	551,637
Total expenses	<u>3,491,380</u>	<u>102,374</u>	<u>497,455</u>	<u>(419,120)</u>	<u>3,672,089</u>
Share of profit from investment in associate	-	-	-	517	517
Profit (loss) before income tax expense	647,458	(197)	55,478	(44,483)	658,256
Income tax expense	123,505	1,484	11,979	-	136,968
Net profit (loss) for the period	<u>523,953</u>	<u>(1,681)</u>	<u>43,499</u>	<u>(44,483)</u>	<u>521,288</u>



**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the three-month period ended May 20, 2015**

	Retail finance services		Other business	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Revenues</b>					
Revenue from external customers	4,011,902	44,477	49,263	-	4,105,642
Inter - segment revenues	-	27,799	332,832	(360,631)	-
	<u>4,011,902</u>	<u>72,276</u>	<u>382,095</u>	<u>(360,631)</u>	<u>4,105,642</u>
<b>Expenses</b>					
Operating and administrative expenses	1,584,609	51,627	323,254	(268,854)	1,690,636
Directors and managements' remuneration	19,894	8,414	3,683	-	31,991
Bad debts and doubtful accounts	1,149,870	5,128	-	-	1,154,998
Finance cost	571,339	2,993	-	(226)	574,106
Total expenses	<u>3,325,712</u>	<u>68,162</u>	<u>326,937</u>	<u>(269,080)</u>	<u>3,451,731</u>
Share of profit from investment in associate	-	1,523	-	-	1,523
Profit (loss) before income tax expense	686,190	5,637	55,158	(91,551)	655,434
Income tax expense	119,345	3,357	9,313	-	132,015
Net profit (loss) for the period	<u>566,845</u>	<u>2,280</u>	<u>45,845</u>	<u>(91,551)</u>	<u>523,419</u>

22.2 Financial positions classified by business are as follows:

**CONSOLIDATED FINANCIAL STATEMENTS**

**"Unaudited"**

**As at May 31, 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	61,399,425	1,381,363	634,391	(357,669)	63,057,510
Leasehold improvement and equipment and intangible assets	1,156,974	163,513	215,877	(7,894)	1,528,470
Other assets	9,444,625	89,572	495,147	(1,048,416)	8,980,928
Total assets	<u>72,001,024</u>	<u>1,634,448</u>	<u>1,345,415</u>	<u>(1,413,979)</u>	<u>73,566,908</u>
Total liabilities	<u>59,622,641</u>	<u>985,260</u>	<u>661,033</u>	<u>(465,117)</u>	<u>60,803,817</u>

**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>

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

- 23.1 As at May 31, 2016 and February 29, 2016, the Company has unused committed and unsecured revolving credit facility agreements with financial institutions for general corporate funding requirements totaling Baht 900 million.
- 23.2 As at May 31, 2016 and February 29, 2016, the Company has unused overdraft facilities with various banks totaling Baht 780.10 million and Baht 80.10 million, respectively. Such overdraft facilities are unsecured.
- 23.3 As at May 31, 2016 and February 29, 2016, the Company has bank's letters of guarantees issued to suppliers for guarantee payment of Baht 0.50 million. Such letters of guarantees are unsecured.
- 23.4 As at May 31, 2016 and February 29, 2016, the subsidiaries have letters of guarantee issued by banks in the amounts of Baht 6.99 million and Baht 6.60 million, respectively.
- 23.5 As at May 31, 2016 and February 29, 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 15).
- 23.6 The Company has outstanding letter of credit issued by banks and letter of guarantee issued by the Company for guarantee repayment of subsidiaries' borrowings of not exceeding USD 5.24 million and LAK 4,000 million as at May 31, 2016 and USD 1.81 million as at February 29, 2016.

### **24. EVENT AFTER THE REPORTING PERIOD**

On June 17, 2016, the Annual General Meeting of shareholders had the resolutions to approve the declaration of final dividends for the fiscal year 2015 at the rate of Baht 1.85 per share, totaling Baht 462.5 million. The aforementioned shareholders included 81,600 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 462.35 million which were paid to all shareholders on June 27, 2016 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 21, 2015.

**25. RECLASSIFICATION**

A service fee amounting to Baht 82.61 million which was previously included as part of credit card income has been reclassified to the consolidated statement of profit or loss for the three-month period ended May 20, 2015 to be deducted operating and administrative expenses to conform to the classification used in the consolidated statement of profit or loss for the year ended February 29, 2016 and for the three-month period ended May 31, 2016 because of the revision of service agreements. Consequently, the consolidated statement of profit or loss for the six-month period ended August 20, 2015 and the nine-month period ended November 20, 2015 will be reclassified for comparison when the financial statements for the six-month period ended August 31, 2016 and the nine-month period ended November 30, 2016 have been prepared.

Such reclassification results in changes in amount as previously presented in the consolidated statement of profit or loss for the three-month period ended May 20, 2016 as follows:

	<b>CONSOLIDATED FINANCIAL STATEMENT For the three-month period ended May 20, 2015</b>	
	<b>As previously reported Baht '000</b>	<b>After reclassification Baht '000</b>
Credit card income	1,586,410	1,503,797
Operating and administrative expenses	1,773,249	1,690,636

**26. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS**

These interim financial statements have been approved for issuing by the Company's authorized director and the Audit Committee on July 6, 2016.

(Translation)

No.24/2016

July 7, 2016

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 5/2016

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby report the resolutions passed at the meeting of the Board of Directors No. 5/2016, held on July 7, 2016 from 10:00 a.m. as follows:

1. Unanimously acknowledgement of the report by the Board of Directors with respect of the Company's performance for the first quarter ended May 31, 2016;
2. Unanimously approved the reviewed financial statements of the Company for the first quarter ended May 31, 2016;
3. With reference to the Company's Annual General Meeting of Shareholders held on June 17, 2016 which resolved the issuing debenture in an amount of not more than 8 billion baht equivalent for financing. The Company Board of Director meeting approved the offering and issuance of debentures as follow:

- |                   |   |
|-------------------|---|
| (1) Type          | : Unsubordinated and unsecured Debentures           |
| Purpose           | : Refinance and/or General Working Capital          |
| Currency to issue | : USD   |
| Issuing Amount    | : Up to USD 15 Million                              |
| Tenor             | : Up to 5 years from issuance date                  |
| Placement         | : Japanese Bank with firm underwriting (Guarantee)  |
| Interest Rate     | : Depend on market at time of offering and issuance |

(2) Type : Unsubordinated and unsecured Debentures  
Purpose : Refinance and/or General Working Capital  
Currency to issue : Baht  
Issuing Amount : Up to 3,000 Million baht  
Tenor : Up to 5 years from issuance date  
Placement : Domestic private placement and/or institutional investors and/or public  
Interest Rate offering  
: Depend on market at time of offering and issuance

The authorized director(s) assigned by the Board of Directors is empowered to consider and prescribe other terms and conditions related to the issuance of the debentures including seeking approval from the competent authorities and performing any other acts necessary and related to the issuance of the debentures.

Please be informed accordingly

Yours sincerely,

Kiyoyasu Asanuma  
Managing Director

## Management Discussion and Analysis for the 1<sup>st</sup> Quarter 2016 ended May 31, 2016

AEON Thana Sinsap (Thailand) Public Company Limited (“the Company”) has already submitted the consolidated reviewed the 1<sup>st</sup> quarter financial statements as of May 31, 2016 which were reviewed by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The Company has net profit attributed to owners of the parent of 516 million baht or 2.06 baht per share. The financial performance can be summarized as follows.

### Overview

According to the Office of the National Economic and Social Development Board (NESDB), Thai economy in the first quarter of 2016 grew by 3.2%, improving from 2.8% in the fourth quarter of 2015. This was mainly from growth in government spending and investment, as well as tourism sector continued to recover. However, overall the economy was gradually recovering due to a slowdown in private sector consumption and exports as well as continued contraction of farmers’ income affected by the drought. The Bank of Thailand had revised down its 2016 GDP growth forecast to 3.1% from 3.5% because export sector slowdown following the continued slowdown in major trading partners’ economies and the contraction in price of agricultural products.

As of May 31, 2016, the Company’s total cards reached 7.61 million cards (including 2.33 million credit cards and 5.28 million member cards), net increasing by 63,000 cards from February 29, 2016. Covering networks nationwide, the Company has 119 branches, 467 ATMs, and over 17,100 member dealers to provide quality financial services to AEON cardholders.

### Operating Results

#### **Revenues**

In the first quarter of 2016, the total consolidated revenues were 4,330 million baht, showing an increase of 224 million baht or 5% from the same period last year. The revenues for the Company only were 4,080 million baht, increasing by 172 million baht or 4% from last year. As of May 31, 2016, The Company has active billings of 3.53 million per month with active customers of 2.25 million, mainly from Bangkok 32%, and in up-country 68%. Details of each business can be described as follows:

#### **- Credit Card**

Credit cards turnover shared 51% of total turnovers. In the first quarter of 2016, revenues from credit card were 1,581 million baht, showing an increase of 77 million baht or 5% from the same period last year, and represented 37% of total revenues. This was due to the fact that the Company has focused on promotional

activities were also organized jointly with leading shops and department stores. In March 2016, the Company joined with Major Cineplex Group PLC launched the AEON M GEN Visa Card to offer privileges that respond to all the requirements of every group of customers, including a free ticket at a Major Cineplex Theater every month and enjoy special services at VIP lounges. Cardholders also received a 50% discount at Blue-O Rhythm & Bowl.

**- Loans**

In the first quarter of 2016, loans shared 43% of total turnovers (shared 23% from personal loan and 20% from purposed loan for mobile phone, IT products, electrical appliances and etc. at department stores and over 17,100 dealers nationwide) with the revenues of 2,263 million baht, increasing by 145 million baht or 7% y-y, shared 52% of total revenues. The Company has focused on promotional activities such as campaign "Free Shop & Dine with AEON Your Cash" exclusively for AEON Your Cash members, every minimum of 1,000 Baht withdrawal through the BBL's ATM to join the lucky draw of Voucher value 15,000 baht, campaign "Back to school" when cashing via GSB's ATM at least 1,000 baht to join the lucky draw of Voucher value 5,000 baht. In addition, the Company has expanding more service channels providing more convenience to customers and this also saved the Company's operation cost.

**- Hire Purchase**

In the first quarter of 2016, motorcycle hire purchase in Thailand and electrical appliances, mobile phone and etc. in oversea business, sharing 1% of total turnovers with revenues of 105 million baht, the same level as the first quarter of 2015. This was mainly contributed from hire purchase income of AEON Specialized Bank (Cambodia) Plc and AEON Leasing Service (Lao) Co., Ltd which shared 59%. The oversea subsidiaries will continue rapid growth in the future.

However, the company has continued launching promotions with motorcycle manufacturers and suppliers, i.e., Honda and Suzuki as well as increased distribution channels for motorcycle sales through our branches.

**- Other**

In the first quarter of 2016, other incomes were 380 million baht, the same level as the first quarter of 2015 and represented 9% of total revenues. The majority of other incomes came from bad debt recovery of 113 million baht. Moreover, the income for the first quarter of 2016 of company's subsidiaries in Thailand, the Company had commission income of 119 million baht, increasing by 2% y-y from AEON Insurance Service (Thailand) Co., Ltd. and collection service income of 52 million baht from ACS Servicing (Thailand) Co., Ltd. accordingly and others.

## Expenses

The Company's expenses mainly consist of operating and administrative expenses, bad debt and doubtful accounts and finance cost. In the first quarter of 2016, the Company had total consolidated expenses of 3,672 million baht, showing an increase of 220 million baht or 6%y-y. Details of expenses are shown as follows:

### - Operating and Administrative Expenses

In the first quarter of 2016, the operating and administrative expenses were 1,880 million baht, increasing by 9% y-y. This was as a result of an increase in marketing expenses, employee's welfare and increasing employment of the Company's subsidiaries, as well as a business expansion of the oversea subsidiaries to increase customer base. However, the Company also need to focus on controlling cost. In terms of proportion to total revenues, operating and administrative expenses represented 43% of total revenues.

### - Bad debt and Doubtful accounts

In the first quarter of 2016, the Company posted bad debt and doubtful accounts of 1,240 million baht, increasing by 7% from the same period last year. The increase was due to the Company increase the provision for bad debt to reserve for uncertainty from economic slowdown.

### - Finance Cost

In the first quarter of 2016, the Company had finance cost of 552 million baht, a decrease of 22 million baht or 4% from the same period last year. Key factors were well-managed funding cost and lower interest rate. However, finance cost in the first quarter of 2016 accounted for 13% of total revenues, the same level as last year. This was because the Company's policy is to manage liquidity risk and interest rates fluctuation risk by mainly locking in long-term borrowing, represented 71% of total borrowing and weight average funding cost at 3.85% in the first quarter of 2016, decreased from 4.31% in the first quarter of 2015.



## **Net Profit**

In the first quarter of 2016, the Company had consolidated operating income of 658 million baht, and reported net profit attributed to owners of the parent of 516 million baht, decreasing by 8 million baht or 2% y-y, and earning per share was 2.06 baht per share. A decreased in the net profit was due to economic slowdown and households become more cautious in spending, particularly in the households consumption.

## **Financial Status**

### **Total Assets**

As of May 31, 2016, consolidated total assets were 73,567 million baht, an increase of 1,116 million baht or 2% from 72,451 million baht as of February 29, 2016. The main assets were attributed to the portfolio of net account receivables which shared 85% of total assets.

#### **- Accounts Receivable**

The Company had gross accounts receivable of 64,742 million baht (both current assets and non-current assets) as of May 31, 2016, increasing by 2% from 63,302 million baht as of February 29, 2016. This can be categorized by business type as follows: credit card receivable 26,319 million baht, increased by 4%, loans receivable 36,549 million baht, increasing by 1% and hire purchase receivable 1,544 million baht. However, including credit card receivable under securitization of 1,637 million baht which was off balance sheet, total accounts receivable were 66,379 million baht accordingly.

#### **- Allowance for doubtful accounts**

As of May 31, 2016, the Company provided allowance for doubtful accounts of 2,357 million baht or 3.64% of total accounts receivable, comparing to that of 2,412 million baht or 3.81% of total accounts receivable at the end of previous fiscal year. The percentage account receivable 3 months overdue or non-performing loan ratio was 2.99%, decreased from 3.30% in the fiscal year 2015. The Company was able to control accounts receivable overdue more than 3 months better than last year. The coverage ratio of allowance for doubtful accounts to accounts receivable overdue more than 3 months (NPLs) was 122% in the first quarter of 2016, increased from 115% at the end of fiscal year 2015, reflecting the adequacy of the Company's provision for doubtful accounts.

## **Liabilities**

The consolidated liabilities of the Company as of May 31, 2016 totaled 60,804 million baht, increasing by 609 million baht, or 1% over the end of fiscal year 2015. This was due to an increase in the total borrowings to 58,039 million baht increase from 57,092 million baht as of February 29, 2016. The portion of long-term borrowings was 41,136 million baht or 71% of total borrowings.

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.

## **Shareholders' Equity**

As of May 31, 2016, total shareholders' equity amounted to 12,763 million baht, increasing by 506 million baht, or 4% over the end of fiscal year 2015. Consequently, Book value as of May 31, 2016 was 51.1 baht per share, increasing from that of 49.03 baht per share as of February 29, 2016.

Debt to Equity ratio as of May 31, 2016 slightly decreased to 4.8 times. Return on Equity and Return on Asset equaled to 16.5% and 2.8%, respectively.