

**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 November 30, 2019, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income for the three-month and nine-month periods ended November 30, 2019, and the related consolidated and separate statements of changes in shareholders' equity and cash flows for the nine-month period ended November 30, 2019, 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 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
January 7, 2020

Nisakorn Songmanee
Certified Public Accountant (Thailand)
Registration No. 5035
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2019

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at November 30, 2019	As at February 28, 2019	As at November 30, 2019	As at February 28, 2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	4,783,072	4,068,052	3,427,524	2,792,584
Trade and other current receivables					
Trade receivables	5	82,133,138	77,800,975	79,321,335	75,412,204
Other receivables		831,145	689,337	694,082	587,932
Seller loan in Special Purpose Vehicle for securitization	7	-	-	235,420	199,920
Receivables per currency swap contracts	11 and 13	41,448	35,908	41,448	35,908
Current tax assets		-	15,745	-	-
Other current assets		132,288	146,437	38,474	37,818
Total Current Assets		<u>87,921,091</u>	<u>82,756,454</u>	<u>83,758,283</u>	<u>79,066,366</u>
NON-CURRENT ASSETS					
Trade receivables	5	3,885,796	1,831,381	1,483,923	486,446
Fixed deposits at banks under obligations		39,818	42,139	-	-
Investment in an associate	6.1 and 6.2	28,527	38,096	16,819	16,819
Investments in subsidiaries	6.2	-	-	1,206,645	1,028,011
Other long-term investments					
Related companies	6.3	19,072	20,072	19,072	20,072
Subordinated lendings	8.1	-	-	84,074	84,074
Leasehold improvement and equipment		909,027	956,829	748,771	803,219
Intangible assets		659,236	529,593	532,514	413,635
Receivables per currency swap contracts	11	-	118,875	-	118,875
Deferred tax assets	9	872,666	621,650	847,304	600,052
Other non-current assets		211,836	206,448	183,233	180,220
Total Non-current Assets		<u>6,625,978</u>	<u>4,365,083</u>	<u>5,122,355</u>	<u>3,751,423</u>
TOTAL ASSETS		<u><u>94,547,069</u></u>	<u><u>87,121,537</u></u>	<u><u>88,880,638</u></u>	<u><u>82,817,789</u></u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT NOVEMBER 30, 2019

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		November 30,	February 28,	November 30,	February 28,
		2019	2019	2019	2019
LIABILITIES AND SHAREHOLDERS’ EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	10	8,909,942	7,100,203	5,491,794	4,690,163
Trade and other current payables					
Trade payables		662,089	517,370	474,804	183,274
Other payables		1,649,128	1,501,998	1,511,276	1,480,055
Current portion of long-term liabilities					
Liabilities under finance lease agreements		23	911	-	-
Long-term borrowings	11	9,316,201	6,071,921	8,823,944	5,974,076
Long-term debentures	13	6,180,158	2,980,813	6,180,158	2,980,813
Current income tax payable		380,795	467,872	324,786	434,002
Payables per currency swap contracts	11 and 13	722,701	441,278	722,701	441,278
Other current liabilities		258,999	234,293	298,376	227,072
Total Current Liabilities		<u>28,080,036</u>	<u>19,316,659</u>	<u>23,827,839</u>	<u>16,410,733</u>
NON-CURRENT LIABILITIES					
Long-term borrowings	11	32,552,261	34,546,943	32,152,302	34,025,106
Long-term borrowings under securitization project	12	-	-	1,708,634	1,652,515
Long-term debentures	13	11,424,676	12,957,807	9,951,594	11,484,725
Payables per currency swap contracts	11 and 13	1,796,070	1,543,443	1,796,070	1,543,443
Subordinated borrowings	8.2	84,074	84,074	-	-
Provisions for employee benefit	14	317,653	271,321	283,477	242,534
Other non-current liabilities		15,767	12,927	332	457
Total Non-current Liabilities		<u>46,190,501</u>	<u>49,416,515</u>	<u>45,892,409</u>	<u>48,948,780</u>
TOTAL LIABILITIES		<u>74,270,537</u>	<u>68,733,174</u>	<u>69,720,248</u>	<u>65,359,513</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT NOVEMBER 30, 2019

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		November 30,	February 28,	November 30,	February 28,
		2019	2019	2019	2019
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY	15				
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
SHARE PREMIUM ON ORDINARY SHARES		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		14,293,653	12,574,005	13,557,390	11,855,276
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY					
Exchange differences on translating					
financial statements of foreign operations		6,707	(123,078)	-	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		19,903,360	18,053,927	19,160,390	17,458,276
NON-CONTROLLING INTERESTS		373,172	334,436	-	-
TOTAL SHAREHOLDERS' EQUITY		20,276,532	18,388,363	19,160,390	17,458,276
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		94,547,069	87,121,537	88,880,638	82,817,789

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS

FOR THE THREE-MONTH PERIOD ENDED NOVEMBER 30, 2019

“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the three-month		For the three-month	
		periods ended		periods ended	
		November 30,	November 30,	November 30,	November 30,
		2019	2018	2019	2018
REVENUES					
Credit card income		1,897,170	1,914,111	1,969,854	1,991,362
Loan income	16	3,048,161	2,689,342	2,919,657	2,617,805
Hire-purchase income		192,262	111,308	44,707	15,257
Other income					
Bad debt recovery		264,471	198,320	264,471	198,320
Gain on sales of written-off receivables	22.3	247,940	-	247,940	-
Collection service income		69,309	67,737	261	632
Commission income		129,441	123,792	-	-
Dividend income		-	-	178,000	20,000
Others		130,015	120,775	33,981	33,126
Total other income		841,176	510,624	724,653	252,078
Total Revenues		5,978,769	5,225,385	5,658,871	4,876,502
EXPENSES					
Operating and administrative expenses		2,311,538	2,101,443	2,053,754	1,877,249
Directors and managements' remuneration	17	41,058	44,589	25,509	28,144
Bad debts and doubtful accounts		1,786,091	1,406,957	1,709,575	1,352,082
Loss (gain) on sale and write-off of leasehold improvement and equipment and intangible assets		452	82	406	(69)
Finance costs		548,940	537,500	581,539	582,546
Total Expenses		4,688,079	4,090,571	4,370,783	3,839,952
Share of profit (loss) from investment in an associate		(7,016)	725	-	-
PROFIT BEFORE INCOME TAX		1,283,674	1,135,539	1,288,088	1,036,550
INCOME TAX EXPENSE	18	256,567	218,634	216,596	196,674
NET PROFIT FOR THE PERIOD		1,027,107	916,905	1,071,492	839,876
NET PROFIT ATTRIBUTABLE TO :					
Owners of the parent		990,769	900,682	1,071,492	839,876
Non-controlling interests		36,338	16,223	-	-
		1,027,107	916,905	1,071,492	839,876
BASIC EARNINGS PER SHARE	BAHT	3.96	3.60	4.29	3.36
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	250,000,000	250,000,000	250,000,000	250,000,000

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED NOVEMBER 30, 2019
“UNAUDITED”

UNIT : THOUSAND BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month		For the three-month	
	periods ended		periods ended	
	November 30, November 30,		November 30, November 30,	
	2019	2018	2019	2018
Net profit for the period	1,027,107	916,905	1,071,492	839,876
Other comprehensive income (loss), net of tax				
Components of other comprehensive income (loss) that will be reclassified to profit or loss				
Exchange differences on translating financial statements of foreign operations				
- Owners of the parent	170,436	(38,240)	-	-
- Non-controlling interests	(15,219)	(9,617)	-	-
Other comprehensive income (loss) for the period, net of tax	<u>155,217</u>	<u>(47,857)</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>1,182,324</u></u>	<u><u>869,048</u></u>	<u><u>1,071,492</u></u>	<u><u>839,876</u></u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :				
Owners of the parent	1,161,205	862,442	1,071,492	839,876
Non-controlling interests	21,119	6,606	-	-
	<u><u>1,182,324</u></u>	<u><u>869,048</u></u>	<u><u>1,071,492</u></u>	<u><u>839,876</u></u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS

FOR THE NINE-MONTH PERIOD ENDED NOVEMBER 30, 2019

“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the nine-month		For the nine-month	
		periods ended		periods ended	
		November 30,	November 30,	November 30,	November 30,
		2019	2018	2019	2018
REVENUES					
Credit card income		5,650,849	5,645,625	5,874,704	5,874,221
Loan income	16	8,988,327	7,932,631	8,642,199	7,750,113
Hire-purchase income		513,157	301,420	100,363	46,999
Other income					
Bad debt recovery		757,297	550,610	757,297	550,610
Gain on sales of written-off receivables	22.3	247,940	-	247,940	-
Collection service income		202,205	198,823	883	2,559
Commission income		395,993	375,920	-	-
Dividend income		-	-	264,180	200,384
Others		380,274	330,262	92,213	104,785
Total other income		1,983,709	1,455,615	1,362,513	858,338
Total Revenues		17,136,042	15,335,291	15,979,779	14,529,671
EXPENSES					
Operating and administrative expenses		6,799,704	6,298,394	6,034,106	5,615,607
Directors and managements' remuneration	17	125,982	133,749	74,646	82,986
Bad debts and doubtful accounts		4,774,027	3,866,604	4,562,803	3,727,612
Loss on sale of investment		539	-	539	-
Loss on sale and write-off of leasehold improvement and equipment and intangible assets		2,456	3,203	2,128	1,734
Finance costs		1,649,278	1,643,334	1,766,532	1,778,464
Total Expenses		13,351,986	11,945,284	12,440,754	11,206,403
Share of profit (loss) from investment in an associate		(9,569)	4,613	-	-
PROFIT BEFORE INCOME TAX		3,774,487	3,394,620	3,539,025	3,323,268
INCOME TAX EXPENSE	18	752,688	666,080	636,916	605,137
NET PROFIT FOR THE PERIOD		3,021,799	2,728,540	2,902,109	2,718,131
NET PROFIT ATTRIBUTABLE TO :					
Owners of the parent		2,919,643	2,689,943	2,902,109	2,718,131
Non-controlling interests		102,156	38,597	-	-
		3,021,799	2,728,540	2,902,109	2,718,131
BASIC EARNINGS PER SHARE	BAHT	11.68	10.76	11.61	10.87
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	250,000,000	250,000,000	250,000,000	250,000,000

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED NOVEMBER 30, 2019

UNIT : THOUSAND BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the nine-month		For the nine-month	
	periods ended		periods ended	
	November 30, November 30,		November 30, November 30,	
	2019	2018	2019	2018
Net profit for the period	3,021,799	2,728,540	2,902,109	2,718,131
Other comprehensive income (loss), net of tax				
Components of other comprehensive income (loss) that will be reclassified to profit or loss				
Exchange differences on translating financial statements of foreign operations				
- Owners of the parent	129,785	(33,869)	-	-
- Non-controlling interests	(29,416)	128	-	-
Other comprehensive income (loss) for the period, net of tax	100,369	(33,741)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>3,122,168</u>	<u>2,694,799</u>	<u>2,902,109</u>	<u>2,718,131</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :				
Owners of the parent	3,049,428	2,656,074	2,902,109	2,718,131
Non-controlling interests	72,740	38,725	-	-
	<u>3,122,168</u>	<u>2,694,799</u>	<u>2,902,109</u>	<u>2,718,131</u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED NOVEMBER 30, 2019
"UNAUDITED"

UNIT : THOUSAND BAHT

Notes	CONSOLIDATED FINANCIAL STATEMENTS								
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings	Other components of shareholders' equity	Total owners of the parent	Non-controlling interests	Total shareholders' equity		
			Appropriated	Unappropriated	Exchange differences on translating financial statements of foreign operations				
			Legal reserve	Reserve for business expansion					
Beginning balance as at March 1, 2018	250,000	478,000	25,000	4,850,000	10,223,575	(89,941)	15,736,634	85,167	15,821,801
Changes during the period									
Increase in share capital from non-controlling interests in a subsidiary	-	-	-	-	-	-	-	235,547	235,547
Dividend paid	15.1	-	-	-	(562,498)	-	(562,498)	(35,486)	(597,984)
Interim dividend paid	15.2	-	-	-	(587,497)	-	(587,497)	-	(587,497)
Net profit for the period		-	-	-	2,689,943	-	2,689,943	38,597	2,728,540
Other comprehensive income (loss)		-	-	-	-	(33,869)	(33,869)	128	(33,741)
Ending balance as at November 30, 2018	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>11,763,523</u>	<u>(123,810)</u>	<u>17,242,713</u>	<u>323,953</u>	<u>17,566,666</u>
Beginning balance as at March 1, 2019	250,000	478,000	25,000	4,850,000	12,574,005	(123,078)	18,053,927	334,436	18,388,363
Changes during the period									
Dividend paid	15.3	-	-	-	(587,497)	-	(587,497)	(34,004)	(621,501)
Interim dividend paid	15.4	-	-	-	(612,498)	-	(612,498)	-	(612,498)
Net profit for the period		-	-	-	2,919,643	-	2,919,643	102,156	3,021,799
Other comprehensive income (loss)		-	-	-	-	129,785	129,785	(29,416)	100,369
Ending balance as at November 30, 2019	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>14,293,653</u>	<u>6,707</u>	<u>19,903,360</u>	<u>373,172</u>	<u>20,276,532</u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED NOVEMBER 30, 2019

“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	SEPARATE FINANCIAL STATEMENTS				Total shareholders' equity	
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings Appropriated Legal reserve	Retained earnings Reserve for business expansion		Unappropriated
Beginning balance as at March 1, 2018		250,000	478,000	25,000	4,850,000	9,574,636	15,177,636
Changes during the period							
Dividend paid	15.1	-	-	-	-	(562,498)	(562,498)
Interim dividend Paid	15.2	-	-	-	-	(587,497)	(587,497)
Net profit for the period		-	-	-	-	2,718,131	2,718,131
Ending balance as at November 30, 2018		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>11,142,772</u>	<u>16,745,772</u>
Beginning balance as at March 1, 2019		250,000	478,000	25,000	4,850,000	11,855,276	17,458,276
Changes during the period							
Dividend paid	15.3	-	-	-	-	(587,497)	(587,497)
Interim dividend Paid	15.4	-	-	-	-	(612,498)	(612,498)
Net profit for the period		-	-	-	-	2,902,109	2,902,109
Ending balance as at November 30, 2019		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>13,557,390</u>	<u>19,160,390</u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED NOVEMBER 30, 2019

“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the nine-month periods ended		For the nine-month periods ended	
		November 30, 2019	November 30, 2018	November 30, 2019	November 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax		3,774,487	3,394,620	3,539,025	3,323,268
Adjustments for:					
Share of (profit) loss from investment in an associate		9,569	(4,613)	-	-
Bad debts and doubtful accounts		4,774,027	3,866,604	4,562,803	3,727,612
Depreciation of leasehold improvement and equipment		287,668	296,031	234,850	234,085
Amortization of intangible assets		130,804	122,823	109,610	102,332
Loss on sale of investment		539	-	539	-
Loss on sale of leasehold improvement and equipment		2,056	2,791	2,128	1,731
Loss on write-off of leasehold improvement and equipment		400	412	-	3
Employee benefit expense		48,195	40,591	42,677	36,079
Gain on sales of written-off receivables		(247,940)	-	(247,940)	-
Interest income		(10,046,539)	(8,983,756)	(8,803,842)	(8,153,779)
Dividend income		-	-	(264,180)	(200,384)
Finance costs		1,649,278	1,643,334	1,766,532	1,778,464
		<u>382,544</u>	<u>378,837</u>	<u>942,202</u>	<u>849,411</u>
Operating assets (increase) decrease					
Trade and other current receivables		(11,821,679)	(9,128,079)	(10,003,639)	(8,061,523)
Other current assets		14,026	(51,003)	(656)	2,613
Other non-current assets		(6,242)	(9,300)	(3,013)	(7,247)
Operating liabilities increase (decrease)					
Trade and other current payables		434,236	177,918	459,907	(49,796)
Other current liabilities		26,478	45,736	12,191	32,733
Other non-current liabilities		3,177	3,405	(125)	(530)
Cash paid for operations		(10,967,460)	(8,582,486)	(8,593,133)	(7,234,339)
Proceeds from interest income		10,325,013	8,897,889	9,117,625	8,097,267
Dividend received		-	-	264,180	176,132
Finance costs paid		(1,722,029)	(1,810,345)	(1,842,128)	(1,936,014)
Income tax paid		(1,090,295)	(962,997)	(993,384)	(907,340)
Retirement benefits paid		(1,863)	(136)	(1,734)	-
Net cash used in operating activities		<u>(3,456,634)</u>	<u>(2,458,075)</u>	<u>(2,048,574)</u>	<u>(1,804,294)</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED NOVEMBER 30, 2019

“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the nine-month periods ended		For the nine-month periods ended	
		November 30, 2019	November 30, 2018	November 30, 2019	November 30, 2018
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for fixed deposits at banks under obligations		(8)	(12,367)	-	-
Cash paid for investment in a subsidiary		-	-	(178,634)	-
Cash paid for purchase of leasehold improvement and equipment	4.2	(267,004)	(353,414)	(200,794)	(355,732)
Proceeds from sale of leasehold improvement and equipment		512	291	415	228
Cash paid for purchase of intangible assets	4.2	(287,036)	(125,974)	(249,657)	(110,866)
Proceeds from sale of investment in a related company		460	-	460	-
Net cash used in investing activities		<u>(553,076)</u>	<u>(491,464)</u>	<u>(628,210)</u>	<u>(466,370)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from bank overdrafts and short-term borrowings from financial institutions	4.4	84,710,090	50,211,872	71,672,969	48,669,080
Cash repayments for bank overdrafts and short-term borrowings from financial institutions	4.4	(82,746,338)	(47,153,994)	(70,871,338)	(46,408,132)
Cash paid for liabilities under finance lease agreements	4.4	(888)	(9,674)	-	-
Proceeds from long-term borrowings	4.4	8,238,029	12,439,520	7,831,125	12,439,520
Cash repayments for long-term borrowings	4.4	(6,485,131)	(13,182,272)	(6,391,230)	(13,182,272)
Proceeds from long-term borrowings under securitization project	4.4	-	-	743,549	837,333
Cash repayments for long-term borrowings under securitization project	4.4	-	-	(608,549)	(591,906)
Proceeds from long-term debentures issuance	4.4	3,800,000	3,032,512	3,800,000	2,800,000
Cash repayments for long-term debentures	4.4	(1,971,860)	(1,487,850)	(1,971,860)	(1,487,850)
Proceeds from subordinated borrowings	4.4	-	12,917	-	-
Proceeds from sales of written-off receivables		247,940	123,055	307,053	154,575
Proceeds from ordinary shares issued of a subsidiary		-	235,547	-	-
Cash paid for dividend		(621,501)	(593,459)	(587,497)	(562,498)
Cash paid for interim dividend		(612,498)	(587,497)	(612,498)	(587,497)
Net cash provided by financing activities		<u>4,557,843</u>	<u>3,040,677</u>	<u>3,311,724</u>	<u>2,080,353</u>
Net increase (decrease) in cash and cash equivalents		548,133	91,138	634,940	(190,311)
Foreign exchange rate differences		166,887	2,159	-	-
Cash and cash equivalents at the beginning of the period		4,068,052	4,089,802	2,792,584	3,227,739
Cash and cash equivalents at the end of the period	4.1	<u><u>4,783,072</u></u>	<u><u>4,183,099</u></u>	<u><u>3,427,524</u></u>	<u><u>3,037,428</u></u>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED NOVEMBER 30, 2019
“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 Limited Company 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., incorporated in Japan, is the ultimate parent company.

The Company has subsidiaries which are under its control in finance and operations and an associate which the Company has significant influence, but no control or joint control, over the financial and operating policies as mentioned in Note 2.5, Note 6.1 and Note 6.2.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2018) “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

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

2.2 The interim consolidated and separate financial statements for the three-month and nine-month periods ended November 30, 2019 and 2018 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 28, 2019, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which have been audited.

- 2.3 The unaudited results of operations presented in the three-month and nine-month periods ended November 30, 2019 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with Thai Financial Reporting Standards (“TFRSs”), but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and nine-month periods ended November 30, 2019 should be read in conjunction with the audited financial statements for the year ended February 28, 2019.
- 2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from these interim consolidated financial statements. The interim consolidated financial statements for the three-month and nine-month periods ended November 30, 2019 have included the subsidiaries’ interim financial information which were reviewed.

For the three-month and nine-month periods ended November 30, 2019 and 2018, 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 and nine-month periods ended November 30,	
				2019	2018
ACS Servicing (Thailand) Company Limited	Collection servicer	Thailand	March 13, 2007	100.00	100.00
AEON Insurance Service (Thailand) Company Limited	Non-life insurance broker and life insurance broker	Thailand	July 1, 2013	100.00	100.00
AEON Specialized Bank (Cambodia) Plc. ⁽³⁾	Retail finance business	Cambodia	October 5, 2011	50.00	50.00
AEON Microfinance (Myanmar) Company Limited	Retail finance business	Myanmar	November 2, 2012	100.00	100.00
AEON Leasing Service (Lao) Company Limited ⁽¹⁾	Retail finance business	Laos	January 11, 2013	100.00	100.00
ATS Rabbit Special Purpose Vehicle Company Limited ⁽²⁾	Special purpose juristic person in securitization projects	Thailand	March 20, 2015	48.75	48.75

⁽¹⁾ The Company indirectly holds shares of AEON Leasing Service (Lao) Company Limited through ACS Servicing (Thailand) Company Limited and AEON Insurance Service (Thailand) Company Limited with 3.71% and 3.71% shareholdings, respectively.

⁽²⁾ 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.

⁽³⁾ The Company has the power to control over AEON Specialized Bank (Cambodia) Plc. in accordance with the requirement of TFRS No.10 (Revised 2018) “Consolidated Financial Statements”.

The interim consolidated financial statements for the three-month and nine-month periods ended November 30, 2019 and 2018 include equity interest in an associate as follows:

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings (%)	
				For the three-month and nine-month periods ended November 31, 2019	2018
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 the associate are adjusted to be the same as those of the Company.

- 2.6 The financial statements of the subsidiaries and the 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 the associate using the most recent financial statements of the subsidiaries and the 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 dates of the end of the reporting period of the financial statements of the aforementioned subsidiaries and the associate are as follows:

	The date of the end of the reporting period in preparation of the consolidated financial statements	
	For the three-month and nine-month periods ended November 30, 2019	November 30, 2018
Subsidiaries		
ACS Servicing (Thailand) Company Limited	September 30, 2019	September 30, 2018
AEON Insurance Service (Thailand) Company Limited	September 30, 2019	September 30, 2018
AEON Specialized Bank (Cambodia) Plc.	September 30, 2019	September 30, 2018
AEON Microfinance (Myanmar) Company Limited	September 30, 2019	September 30, 2018
AEON Leasing Service (Lao) Company Limited	September 30, 2019	September 30, 2018
Associate		
ACS Trading Vietnam Company Limited	September 30, 2019	September 30, 2018

- 2.7 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group and the Company have adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for the accounting periods beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's and the Company's interim financial statements.

2.8 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the accounting periods beginning on or after January 1, 2020 onwards, as follows:

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

This group of Standards makes stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon their effective date.

Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”)

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 “Leases”, Thai Accounting Standard Interpretation No.15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No.27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No.4 “Determining whether an Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

Thai Financial Reporting Standards (Revised 2019)

46 numbers of Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standards Interpretation (Revised 2019) have been announced in the Royal Gazette on September 24, 2019 without material change in key concept, which will be effective for the financial statements for the accounting periods beginning on or after January 1, 2020 onwards.

The Group's and the Company's management will adopt relevant TFRSs in the preparation of the Group's and the Company's financial statements when they become effective. The Group's and the Company's management are in the process to assess the impact of these TFRSs on the financial statements of the Group and the Company in the period of initial application.

3. 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 year ended February 28, 2019.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at November 30, 2019 and February 28, 2019, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	"Unaudited"		"Unaudited"	
	As at	As at	As at	As at
	November 30,	February 28,	November 30,	February 28,
	2019	2019	2019	2019
	Baht '000	Baht '000	Baht '000	Baht '000
Cash	1,453,931	1,231,759	1,248,755	1,210,669
Deposits at bank - call deposits	3,329,141	2,836,293	2,178,769	1,581,915
Cash and cash equivalents	<u>4,783,072</u>	<u>4,068,052</u>	<u>3,427,524</u>	<u>2,792,584</u>

- 4.2 Cash paid for purchase of leasehold improvement and equipment and intangible assets for the nine-month periods ended November 30, 2019 and 2018, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Leasehold improvement and equipment				
Liabilities recorded - brought forward	28,930	28,400	28,673	25,232
Purchase of leasehold improvement and equipment	249,825	368,375	182,945	401,971
	278,755	396,775	211,618	427,203
<u>Less</u> Liabilities relating to transferred employees (see Note 14)	-	-	-	(28,316)
<u>Less</u> Cash paid for purchase of leasehold improvement and equipment	(267,004)	(353,414)	(200,794)	(355,732)
Liabilities recorded - carried forward	11,751	43,361	10,824	43,155
Intangible assets				
Liabilities recorded - brought forward	28,891	11,017	28,891	11,017
Purchase of intangible assets	265,867	141,029	228,488	125,921
	294,758	152,046	257,379	136,938
<u>Less</u> Cash paid for purchase of intangible assets	(287,036)	(125,974)	(249,657)	(110,866)
Liabilities recorded - carried forward	7,722	26,072	7,722	26,072

- 4.3 The Company had non-cash items relating to sale of the rights on loans receivable to ATS Rabbit Special Purpose Vehicle Company Limited, a subsidiary, which the Company had sold loans receivable to. During the nine-month period ended November 30, 2019, such sale was settled by increasing the Seller loan Account of Baht 35.50 million, and during the nine-month period ended November 30, 2018 by increasing the Subordinated lendings Account and the Seller loan Account of Baht 12.92 million and Baht 59.29 million, respectively, instead of cash receipt.

4.4 Changes in liabilities arising from financing activities for the nine-month periods ended November 30, 2019 and 2018, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					“Unaudited”	
	Beginning balance as at March 1, 2019 Baht '000	Financing cash flows		Non-cash changes		Ending balance as at November 30, 2019 Baht '000	
		Cash received	Cash paid	Differences on translating foreign currencies	Others		
		Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
	Bank overdrafts and short-term borrowings from financial institutions	7,100,203	84,710,090	(82,746,338)	(154,013)	-	8,909,942
	Liabilities under finance lease agreements	911	-	(888)	-	-	23
Long-term borrowings	40,618,864	8,238,029	(6,485,131)	(517,213)	13,913	41,868,462	
Long-term debentures	15,938,620	3,800,000	(1,971,860)	(170,641)	8,715	17,604,834	
Subordinated borrowings	84,074	-	-	-	-	84,074	

	CONSOLIDATED FINANCIAL STATEMENTS					“Unaudited”	
	Beginning balance as at March 1, 2018 Baht '000	Financing cash flows		Non-cash changes		Ending balance as at November 30, 2018 Baht '000	
		Cash received	Cash paid	Differences on translating foreign currencies	Others		
		Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
	Bank overdrafts and short-term borrowings from financial institutions	3,952,399	50,211,872	(47,153,994)	(116,078)	-	6,894,199
	Liabilities under finance lease agreements	10,884	-	(9,674)	-	-	1,210
Long-term borrowings	40,788,123	12,439,520	(13,182,272)	1,671,198	7,848	41,724,417	
Long-term debentures	14,593,173	3,032,512	(1,487,850)	224,484	14,785	16,377,104	
Subordinated borrowings	71,157	12,917	-	-	-	84,074	

SEPARATE FINANCIAL STATEMENTS

	Beginning balance as at March 1, 2019 Baht '000	Financing cash flows		Non-cash changes		“Unaudited” Ending balance as at November 30, 2019 Baht '000
		Cash received Baht '000	Cash paid Baht '000	Differences on translating foreign currencies Baht '000	Others Baht '000	
Bank overdrafts and short-term borrowings from financial institutions	4,690,163	71,672,969	(70,871,338)	-	-	5,491,794
Long-term borrowings	39,999,182	7,831,125	(6,391,230)	(476,744)	13,913	40,976,246
Long-term borrowings under securitization project	1,652,515	743,549	(608,549)	-	(78,881)	1,708,634
Long-term debentures	14,465,538	3,800,000	(1,971,860)	(170,641)	8,715	16,131,752

SEPARATE FINANCIAL STATEMENTS

	Beginning balance as at March 1, 2018 Baht '000	Financing cash flows		Non-cash changes		“Unaudited” Ending balance as at November 30, 2018 Baht '000
		Cash received Baht '000	Cash paid Baht '000	Differences on translating foreign currencies Baht '000	Others Baht '000	
Bank overdrafts and short-term borrowings from financial institutions	2,820,000	48,669,080	(46,408,132)	-	-	5,080,948
Long-term borrowings	40,164,026	12,439,520	(13,182,272)	1,676,338	7,847	41,105,459
Long-term borrowings under securitization project	1,366,167	837,333	(591,906)	-	(22,182)	1,589,412
Long-term debentures	13,352,603	2,800,000	(1,487,850)	224,484	14,785	14,904,022

5. TRADE RECEIVABLES

5.1 Trade receivables as at November 30, 2019 and February 28, 2019, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at November 30, 2019 Baht '000	As at February 28, 2019 Baht '000	As at November 30, 2019 Baht '000	As at February 28, 2019 Baht '000
Trade receivables	88,117,622	80,859,809	82,785,310	77,052,776
Trade receivables under securitization project - ATS Rabbit Special Purpose Vehicle Company Limited	1,708,634	1,652,515	1,708,634	1,652,515
Total	89,826,256	82,512,324	84,493,944	78,705,291
<u>Less</u> Allowance for doubtful accounts	<u>(3,807,322)</u>	<u>(2,879,968)</u>	<u>(3,688,686)</u>	<u>(2,806,641)</u>
Total trade receivables	86,018,934	79,632,356	80,805,258	75,898,650
Trade receivables due within 1 year	82,133,138	77,800,975	79,321,335	75,412,204
Trade receivables due after 1 year	3,885,796	1,831,381	1,483,923	486,446
Total trade receivables	86,018,934	79,632,356	80,805,258	75,898,650

As the securitization transaction under the Receivables Sale and Purchase Agreement for transferred rights on loans receivable with ATS Rabbit Special Purpose Vehicle Company Limited does not qualify for derecognition of financial assets according to the “Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities” issued by the Federation of Accounting Professions, the Company continues to recognize the full carrying amount of these receivables and uses them as collateral for long-term borrowings under the securitization project (see Note 5.5).

As at November 30, 2019 and February 28, 2019, trade receivables are as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
“Unaudited”						
	As at November 30, 2019			As at February 28, 2019		
	Due within 1 year	Due after 1 year	Total	Due within 1 year	Due after 1 year	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Hire-purchase receivable						
Hire-purchase and accrued interest receivable	1,286,940	3,447,730	4,734,670	913,412	1,392,049	2,305,461
<u>Less</u> Unearned financing income	<u>(221,318)</u>	<u>(400,459)</u>	<u>(621,777)</u>	<u>(74,191)</u>	<u>(112,917)</u>	<u>(187,108)</u>
	1,065,622	3,047,271	4,112,893	839,221	1,279,132	2,118,353
<u>Less</u> Allowance for doubtful accounts	<u>(138,770)</u>	<u>-</u>	<u>(138,770)</u>	<u>(54,309)</u>	<u>-</u>	<u>(54,309)</u>
Hire-purchase and accrued interest receivable - net	<u>926,852</u>	<u>3,047,271</u>	<u>3,974,123</u>	<u>784,912</u>	<u>1,279,132</u>	<u>2,064,044</u>
Loans receivable						
Loans and accrued interest receivable	47,120,259	838,525	47,958,784	43,037,869	552,249	43,590,118
<u>Less</u> Allowance for doubtful accounts	<u>(2,266,294)</u>	<u>-</u>	<u>(2,266,294)</u>	<u>(1,728,606)</u>	<u>-</u>	<u>(1,728,606)</u>
Loans and accrued interest receivable - net	<u>44,853,965</u>	<u>838,525</u>	<u>45,692,490</u>	<u>41,309,263</u>	<u>552,249</u>	<u>41,861,512</u>
Credit card receivable						
Credit card and accrued interest receivable	37,636,268	-	37,636,268	36,623,244	-	36,623,244
<u>Less</u> Allowance for doubtful accounts	<u>(1,401,458)</u>	<u>-</u>	<u>(1,401,458)</u>	<u>(1,096,147)</u>	<u>-</u>	<u>(1,096,147)</u>
Credit card and accrued interest receivable - net	<u>36,234,810</u>	<u>-</u>	<u>36,234,810</u>	<u>35,527,097</u>	<u>-</u>	<u>35,527,097</u>
Receivable from rendering the collection service						
Receivable from rendering the collection service	14,800	-	14,800	11,360	-	11,360
<u>Less</u> Allowance for doubtful accounts	<u>(800)</u>	<u>-</u>	<u>(800)</u>	<u>(906)</u>	<u>-</u>	<u>(906)</u>
Receivable from rendering the collection service - net	<u>14,000</u>	<u>-</u>	<u>14,000</u>	<u>10,454</u>	<u>-</u>	<u>10,454</u>
Receivable from insurance broker business						
	<u>103,511</u>	<u>-</u>	<u>103,511</u>	<u>169,249</u>	<u>-</u>	<u>169,249</u>
Total trade receivables	<u><u>82,133,138</u></u>	<u><u>3,885,796</u></u>	<u><u>86,018,934</u></u>	<u><u>77,800,975</u></u>	<u><u>1,831,381</u></u>	<u><u>79,632,356</u></u>

SEPARATE FINANCIAL STATEMENTS

“Unaudited”

	As at November 30, 2019			As at February 28, 2019		
	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
	Hire-purchase receivable					
Hire-purchase and accrued interest receivable	588,185	1,883,453	2,471,638	251,154	570,270	821,424
<u>Less</u> Unearned financing income	(221,318)	(400,458)	(621,776)	(74,191)	(112,917)	(187,108)
	<u>366,867</u>	<u>1,482,995</u>	<u>1,849,862</u>	<u>176,963</u>	<u>457,353</u>	<u>634,316</u>
<u>Less</u> Allowance for doubtful accounts	(78,774)	-	(78,774)	(21,491)	-	(21,491)
Hire-purchase and accrued interest receivable - net	<u>288,093</u>	<u>1,482,995</u>	<u>1,771,088</u>	<u>155,472</u>	<u>457,353</u>	<u>612,825</u>
Loans receivable						
Loans and accrued interest receivable	45,519,240	928	45,520,168	41,788,870	29,093	41,817,963
<u>Less</u> Allowance for doubtful accounts	(2,221,009)	-	(2,221,009)	(1,696,792)	-	(1,696,792)
Loans and accrued interest receivable - net	<u>43,298,231</u>	<u>928</u>	<u>43,299,159</u>	<u>40,092,078</u>	<u>29,093</u>	<u>40,121,171</u>
Credit card receivable						
Credit card and accrued interest receivable	37,123,914	-	37,123,914	36,253,012	-	36,253,012
<u>Less</u> Allowance for doubtful accounts	(1,388,903)	-	(1,388,903)	(1,088,358)	-	(1,088,358)
Credit card and accrued interest receivable - net	<u>35,735,011</u>	<u>-</u>	<u>35,735,011</u>	<u>35,164,654</u>	<u>-</u>	<u>35,164,654</u>
Total trade receivables	<u>79,321,335</u>	<u>1,483,923</u>	<u>80,805,258</u>	<u>75,412,204</u>	<u>486,446</u>	<u>75,898,650</u>

5.2 Quality of assets

Trade receivables as at November 30, 2019 and February 28, 2019 classified by aging, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at November 30, 2019 Baht '000	As at February 28, 2019 Baht '000	As at November 30, 2019 Baht '000	As at February 28, 2019 Baht '000
	Less than 3 months	86,690,651	80,229,545	81,457,571
3 months up	<u>3,135,605</u>	<u>2,282,779</u>	<u>3,036,373</u>	<u>2,217,783</u>
Total	89,826,256	82,512,324	84,493,944	78,705,291
<u>Less</u> Allowance for doubtful accounts	(3,807,322)	(2,879,968)	(3,688,686)	(2,806,641)
Total trade receivables	<u>86,018,934</u>	<u>79,632,356</u>	<u>80,805,258</u>	<u>75,898,650</u>

5.3 Troubled debt restructuring

For the three-month periods ended November 30, 2019 and 2018, the Company recognized interest income on restructured debts totaling Baht 36.46 million and Baht 38.36 million, respectively.

For the nine-month periods ended November 30, 2019 and 2018, the Company had recognized interest income on restructured debts totaling Baht 114.87 million and Baht 119.17 million, respectively.

The Company had outstanding balances of credit card receivable, hire-purchase receivable and loans receivable as at November 30, 2019 and February 28, 2019, as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
“Unaudited”				
	As at November 30, 2019		As at February 28, 2019	
	Number of	Amount	Number of	Amount
	debtors	Baht '000	debtors	Baht '000
Restructured trade receivables	36,305	1,418,168	38,939	1,405,855
Non-restructured trade receivables	3,301,089	88,289,777	3,334,476	80,925,860
Total	<u>3,337,394</u>	<u>89,707,945</u>	<u>3,373,415</u>	<u>82,331,715</u>

SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
	As at November 30, 2019		As at February 28, 2019	
	Number of	Amount	Number of	Amount
	debtors	Baht '000	debtors	Baht '000
Restructured trade receivables	36,284	1,414,234	38,904	1,398,483
Non-restructured trade receivables	2,912,841	83,079,710	3,027,374	77,306,808
Total	<u>2,949,125</u>	<u>84,493,944</u>	<u>3,066,278</u>	<u>78,705,291</u>

As at November 30, 2019 and February 28, 2019, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

5.4 Allowance for doubtful accounts

Allowance for doubtful accounts as at November 30, 2019 and February 28, 2019, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“Unaudited”			
	As at	As at	As at	As at
	November 30,	February 28,	November 30,	February 28,
	2019	2019	2019	2019
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	2,879,968	2,415,692	2,806,641	2,356,958
Bad debts and doubtful accounts	4,774,027	5,284,541	4,562,803	5,087,827
Gain on devaluation of long-term borrowings under securitization project	-	-	114,380	132,828
Written-off bad debts	(3,846,673)	(4,820,265)	(3,795,138)	(4,770,972)
Ending balance	<u>3,807,322</u>	<u>2,879,968</u>	<u>3,688,686</u>	<u>2,806,641</u>

5.5 Transfers of financial assets

The Company entered into the Receivables Sale and Purchase Agreement with Special Purposes Vehicle Company, which was incorporated under the Civil and Commercial Code of Thailand to be special purpose vehicle (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 Securities and Exchange Commission (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 Agreement and Servicing Agreement.

Details of aforementioned sales of receivables are summarized as follows:

		ATS Rabbit*
Approved date of the securitization project by the SEC		October 2, 2015
Initial selling date		October 29, 2015
Type of transferred receivables		Loans receivable
Revolving period		October 2015 - October 2025 (approximately)
Initial sale of receivables		
Net book value of initial receivables	Baht	456,076,200
Proceeds from transfer of the rights in receivables	Baht	433,272,390
Subordinated lendings	Baht	50,081,313
Minimum seller loans - pari passu with debentures	Baht	None
Number of contracts		49,225
Average principal amount outstanding	Baht	9,265
Interest rate		28% p.a.

* 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 in the financial statements because it is not practical to estimate their reliable fair values.

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 project approved by the Office of 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.

During the life of the securitization project, 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 and nine-month periods ended November 30, 2019 and 2018, transactions relating to the transfers of financial assets under the securitization project are summarized as follows:

	For the three-month periods ended November 30,		For the nine -month periods ended November 30,	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Transfers of future and additional receivables (at book value)				
- Loans receivable (ATS Rabbit)	223	304	779	910
	<u>223</u>	<u>304</u>	<u>779</u>	<u>910</u>
Cash collection on behalf of a Special Purpose Vehicle				
- Loans receivable (ATS Rabbit)	302	311	958	891
	<u>302</u>	<u>311</u>	<u>958</u>	<u>891</u>
Servicing income on cash collection from a Special Purpose Vehicle				
- Loans receivable (ATS Rabbit)	24	21	70	59
	<u>24</u>	<u>21</u>	<u>70</u>	<u>59</u>

6. INVESTMENTS IN AN ASSOCIATE AND SUBSIDIARIES AND LONG-TERM INVESTMENTS IN RELATED COMPANIES

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

6.1 Investment in an associate in the consolidated financial statements

As at November 30, 2019 and February 28, 2019, the Company had investment in an entity, which is an associate and is accounted for using the equity method in the consolidated financial statements as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
“Unaudited”						
			As at November 30, 2019		As at February 28, 2019	
	Paid-up capital	Ownership %	Cost	Equity	Cost	Equity
			method	method	method	method
			Baht '000	Baht '000	Baht '000	Baht '000
Investment in an associate						
ACS Trading Vietnam Company Limited	VND 50,000 million	20.00	16,819.3	28,526.6	16,819.3	38,095.9
Total investment in an associate			<u>16,819.3</u>	<u>28,526.6</u>	<u>16,819.3</u>	<u>38,095.9</u>

6.2 Investments in an associate and subsidiaries in the separate financial statements

As at November 30, 2019 and February 28, 2019, the Company had investments in an associate and subsidiaries which are accounted for using the cost method in the separate financial statements as follows:

SEPARATE FINANCIAL STATEMENTS					
“Unaudited”					
		As at November 30, 2019		As at February 28, 2019	
	Ownership %	Cost	Ownership %	Cost	
		Baht '000	%	Baht '000	Baht '000
Investments in an associate and subsidiaries					
Investment in an associate (see Note 19.1)					
ACS Trading Vietnam Company Limited	20.00	<u>16,819.3</u>	20.00	<u>16,819.3</u>	
Total investment in an associate		<u>16,819.3</u>		<u>16,819.3</u>	
Investments in subsidiaries (see Note 19.1)					
ACS Servicing (Thailand) Company Limited	100.00	175,349.1	100.00	175,349.1	
AEON Insurance Service (Thailand) Company Limited	100.00	149,224.3	100.00	149,224.3	
AEON Specialized Bank (Cambodia) Plc.	50.00	323,580.0	50.00	323,580.0	
AEON Microfinance (Myanmar) Company Limited	100.00	455,403.3	100.00	276,769.1	
AEON Leasing Service (Lao) Company Limited	92.58	103,069.1	92.58	103,069.1	
ATS Rabbit Special Purpose Vehicle Company Limited	48.75	19.5	48.75	19.5	
Total investments in subsidiaries		<u>1,206,645.3</u>		<u>1,028,011.1</u>	
Total investments in an associate and subsidiaries		<u>1,223,464.6</u>		<u>1,044,830.4</u>	

On July 5, 2019, the Board of Director’s meeting of the Company had a resolution to approve the capital injection to AEON Microfinance (Myanmar) Co., Ltd., which is a subsidiary of the Company, amounting to USD 5.80 million. Subsequently, the Company paid for such additional capital injection in the subsidiary on July 31, 2019.

6.3 Long-term investments in related companies as at November 30, 2019 and February 28, 2019, consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	“Unaudited”			
	As at November 30, 2019		As at February 28, 2019	
	Ownership	Cost	Ownership	Cost
%	Baht '000	%	Baht '000	
Long-term investments in related companies				
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)	2.59	19,072	2.59	19,072
AEON Credit Service Systems (Philippines) Inc. (100,000 shares of PHP 100 each, par value of PHP 100, fully paid)	-	-	3.33	7,645
		<u>27,572</u>		<u>35,217</u>
<u>Less</u> Allowance for impairment of investment		<u>(8,500)</u>		<u>(15,145)</u>
Total long-term investments in related companies		<u>19,072</u>		<u>20,072</u>

On July 5, 2019, the Board of Director’s meeting of the Company had a resolution to approve the sale of 100,000 shares of AEON Credit Service Systems (Philippines) Inc. to AEON Financial Service Co., Ltd. (the “buyer”) at the amount of Baht 460,301. Subsequently, the Company entered into a Deed of Assignment and received cash from the buyer on August 1, 2019.

7. SELLER LOAN IN SPECIAL PURPOSE VEHICLE FOR SECURITIZATION

Seller loan in Special Purpose Vehicle for securitization as at November 30, 2019 and February 28, 2019, are as follows:

	SEPARATE	
	FINANCIAL STATEMENTS	
	“Unaudited”	
	As at	As at
	November 30,	February 28,
	2019	2019
	Baht '000	Baht '000
Seller loan in Special Purpose Vehicle for securitization (see Note 19.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	<u>235,420</u>	<u>199,920</u>
Total Seller loan in Special Purpose Vehicle for securitization	<u>235,420</u>	<u>199,920</u>

Subsequent to the sale of the rights in initial loans receivable under securitization project, the Company received partial payments from ATS Rabbit with Seller Loan Account under securitization project for sales of the rights in loans receivable to ATS Rabbit during the sales period of the rights in additional receivables or repurchase period of the rights in loans receivable. Such Seller Loan Account will decrease from cash repayment when the outstanding amount reaches or exceeds the determined level, or every 3-month period after the payment date as agreed in the agreement, whichever is earlier.

8. SUBORDINATED LENDINGS AND SUBORDINATED BORROWINGS

8.1 Subordinated lendings to Special Purpose Vehicle as at November 30, 2019 and February 28, 2019, are as follows:

	SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at November 30, 2019 Baht '000	As at February 28, 2019 Baht '000
Subordinated lendings (see Note 19.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	84,074	84,074
Total subordinated lendings	84,074	84,074

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 5.5) and originated transaction cost, and of Future Receivables and Additional Receivables, which are settled by Seller Loan Account and backed for each issuance of debentures of ATS Rabbit, for the purposes of partial payment from ATS Rabbit for the sales of rights in loans receivable.

The term loan is due within the year 2025, and the interest is payable on a monthly basis at the rate of 12% per annum.

8.2 Subordinated borrowings of Special Purpose Vehicle as at November 30, 2019 and February 28, 2019, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”	
	As at November 30, 2019 Baht '000	As at February 28, 2019 Baht '000
Subordinated borrowings		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	84,074	84,074
Total subordinated borrowings	84,074	84,074

On October 22, 2015, ATS Rabbit, a subsidiary, entered into the subordinated term borrowings agreement with BSS Holdings Co., Ltd. amounting to 5% of transferred rights in initial receivables (see Note 5.5) and originated transaction cost, and of Future Receivables and Additional Receivables, which are settled by Seller Loan Account and backed for each issuance of debentures of ATS Rabbit, for the purposes of partial payment for the purchase of rights in loans receivable.

The term borrowings are due within the year 2025, and the interest is payable on a monthly basis at the rate of 12% per annum.

9. DEFERRED TAX ASSETS

Deferred tax assets as at November 30, 2019 and February 28, 2019, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at November 30, 2019 Baht '000	As at February 28, 2019 Baht '000	As at November 30, 2019 Baht '000	As at February 28, 2019 Baht '000
Deferred tax assets				
Allowance for doubtful accounts	744,746	567,388	737,737	561,328
Non-accrual of interest income	69,638	47,205	68,005	45,960
Allowance for impairment of investment and assets	16,583	19,012	16,583	19,012
Provisions for employee benefit	63,531	54,264	56,695	48,507
Deferred revenue from customer loyalty programs	58,602	48,870	58,602	44,351
Others	26,652	9,672	16,768	5,446
	<u>979,752</u>	<u>746,411</u>	<u>954,390</u>	<u>724,604</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	107,086	124,552	107,086	124,552
Others	-	209	-	-
	<u>107,086</u>	<u>124,761</u>	<u>107,086</u>	<u>124,552</u>
Deferred tax assets	<u>872,666</u>	<u>621,650</u>	<u>847,304</u>	<u>600,052</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”			
	Balance as at February 28, 2019 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Balance as at November 30, 2019 Baht '000
Deferred tax assets				
Allowance for doubtful accounts	567,388	177,358	-	744,746
Non-accrual of interest income	47,205	22,433	-	69,638
Allowance for impairment of investment and assets	19,012	(2,429)	-	16,583
Provisions for employee benefit	54,264	9,267	-	63,531
Deferred revenue from customer loyalty programs	48,870	9,732	-	58,602
Others	9,672	16,980	-	26,652
	<u>746,411</u>	<u>233,341</u>	<u>-</u>	<u>979,752</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	124,552	(17,466)	-	107,086
Others	209	(209)	-	-
	<u>124,761</u>	<u>(17,675)</u>	<u>-</u>	<u>107,086</u>
Deferred tax assets	<u>621,650</u>	<u>251,016</u>	<u>-</u>	<u>872,666</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Balance as at February 28, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	476,804	90,584	-	567,388
Non-accrual of interest income	34,573	12,632	-	47,205
Allowance for impairment of investment and assets	16,109	2,903	-	19,012
Provisions for employee benefit	30,386	22,362	1,516	54,264
Deferred revenue from customer loyalty programs	36,254	12,616	-	48,870
Others	1,155	8,517	-	9,672
	<u>595,281</u>	<u>149,614</u>	<u>1,516</u>	<u>746,411</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	148,691	(24,139)	-	124,552
Others	-	209	-	209
	<u>148,691</u>	<u>(23,930)</u>	<u>-</u>	<u>124,761</u>
Deferred tax assets	<u>446,590</u>	<u>173,544</u>	<u>1,516</u>	<u>621,650</u>

SEPARATE FINANCIAL STATEMENTS

“Unaudited”

	Balance as at February 28, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at November 30, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	561,328	176,409	-	737,737
Non-accrual of interest income	45,960	22,045	-	68,005
Allowance for impairment of investment and assets	19,012	(2,429)	-	16,583
Provisions for employee benefit	48,507	8,188	-	56,695
Deferred revenue from customer loyalty programs	44,351	14,251	-	58,602
Others	5,446	11,322	-	16,768
	<u>724,604</u>	<u>229,786</u>	<u>-</u>	<u>954,390</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	124,552	(17,466)	-	107,086
	<u>124,552</u>	<u>(17,466)</u>	<u>-</u>	<u>107,086</u>
Deferred tax assets	<u>600,052</u>	<u>247,252</u>	<u>-</u>	<u>847,304</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance	Items as	Items as	Balance
	as at February 28, 2018	recognized in profit or loss	recognized in other comprehensive income	as at February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	471,392	89,936	-	561,328
Non-accrual of interest income	33,885	12,075	-	45,960
Allowance for impairment of investment and assets	16,109	2,903	-	19,012
Provisions for employee benefit	21,039	25,670	1,798	48,507
Deferred revenue from customer loyalty programs	34,464	9,887	-	44,351
Others	-	5,446	-	5,446
	<u>576,889</u>	<u>145,917</u>	<u>1,798</u>	<u>724,604</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	148,691	(24,139)	-	124,552
	<u>148,691</u>	<u>(24,139)</u>	<u>-</u>	<u>124,552</u>
Deferred tax assets	<u>428,198</u>	<u>170,056</u>	<u>1,798</u>	<u>600,052</u>

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

Bank overdrafts and short-term borrowings from financial institutions as at November 30, 2019 and February 28, 2019, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS "Unaudited"			
	As at November 30, 2019		As at February 28, 2019	
	Interest rate p.a. (%)	Baht '000	Interest rate p.a. (%)	Baht '000
Overdrafts in THB currency	1.45	1,001,794	1.95	640,163
Short-term borrowings in THB currency	1.35 - 1.44	4,490,000	1.85 - 2.30	4,050,000
Short-term borrowings in USD currency	2.80 - 6.05	1,883,607	3.24 - 3.78	1,141,518
Short-term borrowings in LAK currency	6.40 - 6.70	272,100	6.60 - 7.40	314,954
Short-term borrowings in MMK currency	11.70 - 12.50	1,262,441	11.70 - 12.50	953,568
Total		<u>8,909,942</u>		<u>7,100,203</u>

	SEPARATE FINANCIAL STATEMENTS "Unaudited"			
	As at November 30, 2019		As at February 28, 2019	
	Interest rate p.a. (%)	Baht '000	Interest rate p.a. (%)	Baht '000
Overdrafts in THB currency	1.45	1,001,794	1.95	640,163
Short-term borrowings in THB currency	1.35 - 1.44	4,490,000	1.85 - 2.30	4,050,000
Total		<u>5,491,794</u>		<u>4,690,163</u>

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

11. LONG-TERM BORROWINGS

As at November 30, 2019 and February 28, 2019, the Company entered into various long-term borrowings agreements in THB and foreign currencies as follows:

CONSOLIDATED FINANCIAL STATEMENTS “Unaudited” As at November 30, 2019				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2020 - 2023	2.96 - 5.26	29,742.05	8,322,003
Borrowings in USD currency	2020 - 2024	2.03 - 3.65	597.49	18,178,362
Borrowings in THB currency	2020 - 2024	2.41 - 3.41	15,400.00	15,400,000
<u>Less</u> Borrowings issuance cost				(31,903)
				41,868,462
<u>Less</u> Current portion of long-term borrowings				(9,316,201)
Total long-term borrowings				<u>32,552,261</u>

CONSOLIDATED FINANCIAL STATEMENTS As at February 28, 2019				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2019 - 2023	2.96 - 5.26	34,742.05	9,992,577
Borrowings in USD currency	2019 - 2023	2.26 - 3.38	608.49	19,272,103
Borrowings in THB currency	2019 - 2024	2.44 - 3.41	11,400.00	11,400,000
<u>Less</u> Borrowings issuance cost				(45,816)
				40,618,864
<u>Less</u> Current portion of long-term borrowings				(6,071,921)
Total long-term borrowings				<u>34,546,943</u>

SEPARATE FINANCIAL STATEMENTS “Unaudited” As at November 30, 2019				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2020 - 2023	2.96 - 5.26	29,742.05	8,322,003
Borrowings in USD currency	2020 - 2024	2.03 - 3.38	568.49	17,286,146
Borrowings in THB currency	2020 - 2024	2.41 - 3.41	15,400.00	15,400,000
<u>Less</u> Borrowings issuance cost				(31,903)
				40,976,246
<u>Less</u> Current portion of long-term borrowings				(8,823,944)
Total long-term borrowings				<u>32,152,302</u>

SEPARATE FINANCIAL STATEMENTS As at February 28, 2019				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2019 - 2023	2.96 - 5.26	34,742.05	9,992,577
Borrowings in USD currency	2019 - 2023	2.26 - 3.38	589.49	18,652,421
Borrowings in THB currency	2019 - 2024	2.44 - 3.41	11,400.00	11,400,000
<u>Less</u> Borrowings issuance cost				(45,816)
				39,999,182
<u>Less</u> Current portion of long-term borrowings				(5,974,076)
Total long-term borrowings				<u>34,025,106</u>

In the consolidated and separate financial statements as at November 30, 2019, the Company has long-term borrowings in JPY currency from a related company which is a bank in Japan amounting to JPY 2,500 million or equivalent to Baht 698.53 million with interest rate at 4.84% per annum which are unsecured and will be due in the year 2021 (see Note 19.2.1) (As at February 28, 2019 : JPY 5,000 million or equivalent to Baht 1,436.33 million).

To manage risks that might occur from the fluctuation in foreign exchange rates of principal and interest of long-term borrowings denominated in foreign currencies, the Company has entered into cross currency swap contracts to hedge its debts as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
As at November 30, 2019				
	Notional amount Baht '000	Carrying amount		Total Baht '000
		Within 1 year Baht '000	Over 1 - 5 years Baht '000	
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	2,197,000	41,448	-	41,448
	<u>2,197,000</u>	<u>41,448</u>	<u>-</u>	<u>41,448</u>
Payables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	6,535,000	-	(451,445)	(451,445)
USD currency	18,675,495	(279,605)	(1,109,744)	(1,389,349)
	<u>25,210,495</u>	<u>(279,605)</u>	<u>(1,561,189)</u>	<u>(1,840,794)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2019				
	Notional amount Baht '000	Carrying amount		Total Baht '000
		Within 1 year Baht '000	Over 1 - 5 years Baht '000	
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	5,197,000	-	107,338	107,338
USD currency	716,220	-	11,537	11,537
	<u>5,913,220</u>	<u>-</u>	<u>118,875</u>	<u>118,875</u>
Payables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	5,111,250	(138,140)	(284,871)	(423,011)
USD currency	18,943,130	(277,386)	(741,080)	(1,018,466)
	<u>24,054,380</u>	<u>(415,526)</u>	<u>(1,025,951)</u>	<u>(1,441,477)</u>

12. LONG-TERM BORROWINGS UNDER SECURITIZATION PROJECT

As at November 30, 2019 and February 28, 2019, the Company recognized the cash received and the settlement by the Seller Loan Account of ATS Rabbit for the transferred rights in loans receivable under securitization project (see Note 5.5) as long-term borrowings under securitization project in the separate financial statements in the amount of Baht 1,708.63 million and Baht 1,652.52 million, respectively.

13. LONG-TERM DEBENTURES

Long-term debentures represent unsubordinated and unsecured debentures as at November 30, 2019 and February 28, 2019, as follows:

Issue date	Maturity date	No. of units	Currency	Par value per unit	Amount	Interest rate p.a. (%)	Term of interest payment	"Unaudited"	
								As at November 30, 2019 Baht '000	As at February 28, 2019 Baht '000
Company									
28/03/2014	28/03/2019	30	USD	1,000,000	30,000,000	USD-LIBOR 6M	Semi-annual	-	949,248
27/03/2015	27/03/2019	22	JPY	100,000,000	2,200,000,000	JPY-TIBOR 6M + 0.36	Semi-annual	-	632,768
25/03/2016	25/03/2020	70	USD	1,000,000	70,000,000	USD-LIBOR 6M + 0.65	Semi-annual	2,128,497	2,214,912
28/03/2016	27/03/2020	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.50	Semi-annual	456,107	474,624
22/08/2016	20/08/2021	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.85	Semi-annual	456,107	474,624
24/08/2016	30/07/2019	400,000	THB	1,000	400,000,000	2.50	Quarterly	-	400,000
21/12/2016	21/12/2019	1,000,000	THB	1,000	1,000,000,000	2.73	Quarterly	1,000,000	1,000,000
21/12/2016	21/12/2021	1,000,000	THB	1,000	1,000,000,000	3.48	Quarterly	1,000,000	1,000,000
30/12/2016	30/12/2021	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.65	Semi-annual	912,212	949,248
18/08/2017	18/08/2020	200,000	THB	1,000	200,000,000	2.50	Quarterly	200,000	200,000
14/09/2017	14/09/2020	300,000	THB	1,000	300,000,000	2.50	Semi-annual	300,000	300,000
21/09/2017	21/09/2020	100,000	THB	1,000	100,000,000	2.50	Semi-annual	100,000	100,000
15/12/2017	15/12/2020	2,000,000	THB	1,000	2,000,000,000	2.37	Semi-annual	2,000,000	2,000,000
15/12/2017	15/12/2022	1,000,000	THB	1,000	1,000,000,000	2.93	Semi-annual	1,000,000	1,000,000
15/11/2018	15/11/2020	2,000,000	THB	1,000	2,000,000,000	2.96	Semi-annual	2,000,000	2,000,000
15/11/2018	15/11/2021	800,000	THB	1,000	800,000,000	3.26	Semi-annual	800,000	800,000
15/11/2019	15/11/2022	2,800,000	THB	1,000	2,800,000,000	2.27	Semi-annual	2,800,000	-
15/11/2019	15/11/2024	1,000,000	THB	1,000	1,000,000,000	2.57	Semi-annual	1,000,000	-
								16,152,923	14,495,424
<u>Less</u> Debentures issuance cost								(21,171)	(29,886)
								16,131,752	14,465,538
<u>Less</u> Current portion of long-term debentures								(6,180,158)	(2,980,813)
Total long-term debentures in separate financial statements								9,951,594	11,484,725
ATS Rabbit Special Purpose Vehicle Company Limited									
29/09/2018	28/10/2025	1,473,082	THB	1,000	1,473,082,000	2.84	Monthly	1,473,082	1,473,082
Total long-term debentures in consolidated financial statements								11,424,676	12,957,807

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS “Unaudited” As at November 30, 2019				
	Notional amount Baht '000	Carrying amount		Total Baht '000
		Within 1 year Baht '000	Over 1 - 5 years Baht '000	
Payables per currency swap contracts				
Cross Currency Swap Contracts				
USD currency	4,630,900	(443,096)	(234,881)	(677,977)
	<u>4,630,900</u>	<u>(443,096)</u>	<u>(234,881)</u>	<u>(677,977)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS As at February 28, 2019				
	Notional Amount Baht '000	Carrying amount		Total Baht '000
		Within 1 year Baht '000	Over 1 - 5 years Baht '000	
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	596,860	35,908	-	35,908
	<u>596,860</u>	<u>35,908</u>	<u>-</u>	<u>35,908</u>
Payables per currency swap contracts				
Cross Currency Swap Contracts				
USD currency	5,605,900	(25,752)	(517,492)	(543,244)
	<u>5,605,900</u>	<u>(25,752)</u>	<u>(517,492)</u>	<u>(543,244)</u>

14. PROVISIONS FOR EMPLOYEE BENEFIT

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

For the three-month and nine-month periods ended November 30, 2019 and 2018, amounts recognized in the statements of profit or loss in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month periods ended		For the nine-month periods ended	
	November 30, 2019	November 30, 2018	November 30, 2019	November 30, 2018
	Baht '000	Baht '000	Baht '000	Baht '000
Past service cost	-	-	-	9,140
Current service cost	14,005	8,880	42,047	27,820
Interest cost	2,083	1,174	6,148	3,631
Total	<u>16,088</u>	<u>10,054</u>	<u>48,195</u>	<u>40,591</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month periods ended		For the nine-month periods ended	
	November 30, 2019	November 30, 2018	November 30, 2019	November 30, 2018
	Baht '000	Baht '000	Baht '000	Baht '000
Past service cost	-	-	-	9,140
Current service cost	12,641	7,939	37,146	23,815
Interest cost	1,881	1,041	5,531	3,124
Total	14,522	8,980	42,677	36,079

Movements in the present value of the provisions for post-employment benefit for the nine-month periods ended November 30, 2019 and 2018, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	271,321	151,930	242,534	105,193
Past service cost	-	9,140	-	9,140
Current service cost	42,047	27,820	37,146	23,815
Interest cost	6,148	3,631	5,531	3,124
Benefits Paid	(1,863)	(136)	(1,734)	-
Benefits transferred	-	-	-	28,316
Ending balance	317,653	192,385	283,477	169,588

The significant actuarial assumptions used to calculate the provisions under the defined benefit plans as at November 30, 2019 and February 28, 2019, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	“Unaudited” As at November 30, 2019 % per annum	As at February 28, 2019 % per annum
Financial assumptions		
Discount rate	2.72 - 3.01	2.72 - 3.01
Expected rate of salary increase	5.0 - 7.0	5.0 - 7.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 31.0	0.0 - 31.0
Daily staff	0.0 - 52.0	0.0 - 52.0
Temporary staff	0.0 - 43.0	0.0 - 43.0
	Subject to range of age of employees	Subject to range of age of employees
	SEPARATE FINANCIAL STATEMENTS	
	“Unaudited” As at November 30, 2019 % per annum	As at February 28, 2019 % per annum
Financial assumptions		
Discount rate	3.01	3.01
Expected rate of salary increase	6.0	6.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 19.0	0.0 - 19.0
Daily staff	0.0 - 52.0	0.0 - 52.0
	Subject to range of age of employees	Subject to range of age of employees

15. SHAREHOLDERS' EQUITY

- 15.1 On June 22, 2018, the Annual General Meeting of shareholders had the resolutions to approve the declaration of final dividends for the year ended February 28, 2018 at the rate of Baht 2.25 per share, totaling Baht 562.50 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 562.50 million on July 20, 2018 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 November 6, 2017.
- 15.2 On October 5, 2018, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the year ended February 28, 2019 at the rate of Baht 2.35 per share to shareholders, totaling Baht 587.50 million. The aforementioned shareholders included 1,100 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 587.50 million on November 1, 2018.
- 15.3 On June 21, 2019, the Annual General Meeting of shareholders had the resolutions to approve the declaration of final dividends for the year ended February 28, 2019 at the rate of Baht 2.35 per share, totaling Baht 587.50 million. The aforementioned shareholders included 1,200 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 587.50 million on July 18, 2019 in addition to the interim dividends which had been paid to all shareholders at Baht 2.35 per share, totaling Baht 587.50 million on November 1, 2018.
- 15.4 On October 7, 2019, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the year ended February 29, 2020 at the rate of Baht 2.45 per share to shareholders, totaling Baht 612.50 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 612.50 million on November 4, 2019.
- 15.5 Under the Securitization project, the subsidiary has to pay dividend to its shareholders from all remaining amounts after deducting the required accumulated reserves and payment of all fees and expenses. The subsidiary appropriates 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.

ATS Rabbit Special Purpose Vehicle Company Limited's 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 the rate of 1% of the par value of each preferred share. The remaining dividends shall be distributed to the holders of ordinary shares and another group of preferred shares.

16. REVENUES RELATING TO SECURITIZATION TRANSACTION

For the three-month and nine-month periods ended November 30, 2019 and 2018, revenues relating to securitization transaction incurred from sales of rights in loans receivable to ATS Rabbit Special Purpose Vehicle Company Limited are included in the presentation of loan income as follows:

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month		For the nine-month	
	periods ended November 30,		periods ended November 30,	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Loan income (see Note 19.2.2)				
Interest income from subordinated lendings	2,515	2,442	7,601	6,874
Revenue from seller loan in Special Purpose Vehicle	6,324	2,457	17,024	6,050
Dividend from investment in Special Purpose Vehicle	9,995	8,464	34,004	27,895
Servicing income	23,303	20,981	69,684	59,148
Total	<u>42,137</u>	<u>34,344</u>	<u>128,313</u>	<u>99,967</u>

17. DIRECTORS AND MANAGERMENTS' REMUNERATION

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

For the three-month and nine-month periods ended November 30, 2019 and 2018, directors and managements' remuneration are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month		For the nine-month	
	periods ended November 30,		periods ended November 30,	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefit				
Directors' remuneration	11,450	10,337	27,562	26,578
Managements' remuneration	28,090	33,117	93,867	103,814
Post-employment benefit	1,518	1,135	4,553	3,357
Total	<u>41,058</u>	<u>44,589</u>	<u>125,982</u>	<u>133,749</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month		For the nine-month	
	periods ended November 30,		periods ended November 30,	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefit				
Directors' remuneration	7,250	7,650	16,994	19,243
Managements' remuneration	17,329	19,794	54,861	61,688
Post-employment benefit	930	700	2,791	2,055
Total	<u>25,509</u>	<u>28,144</u>	<u>74,646</u>	<u>82,986</u>

For the three-month and nine-month periods ended November 30, 2019 and 2018, directors' remunerations which were included in short-term employee benefits were approved by the Annual General Meeting of shareholders of the Company held on June 21, 2019 and June 22, 2018, respectively.

18. CORPORATE INCOME TAX

The Company and its local subsidiaries used tax rate of 20% for corporate income tax and deferred tax calculations for the three-month and nine-month periods ended November 30, 2019 and 2018. The foreign subsidiaries used 20% - 25% for corporate income tax and deferred tax calculations for the three-month and nine-month periods ended November 30, 2019 and 2018.

Income tax expense of the Company and its subsidiaries is 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 and nine-month periods ended November 30, 2019 and 2018, income tax expense consists of:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month		For the nine-month	
	periods ended November 30,		periods ended November 30,	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the period	370,282	263,365	1,003,704	804,972
Deferred income tax revenue	(113,715)	(44,731)	(251,016)	(138,892)
Income tax expense per statements of profit or loss	<u>256,567</u>	<u>218,634</u>	<u>752,688</u>	<u>666,080</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month		For the nine-month	
	periods ended November 30,		periods ended November 30,	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the period	329,913	241,193	884,168	746,723
Deferred income tax revenue	(113,317)	(44,519)	(247,252)	(141,586)
Income tax expense per statements of profit or loss	<u>216,596</u>	<u>196,674</u>	<u>636,916</u>	<u>605,137</u>

Reconciliations of effective tax rates for the three-month and nine-month periods ended November 30, 2019 and 2018, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month		For the nine-month	
	periods ended November 30,		periods ended November 30,	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Accounting profit before income tax	1,283,674	1,135,539	3,774,487	3,394,620
Permanent differences	(13,806)	(35,104)	(51,798)	(78,528)
Temporary differences	569,085	225,751	1,256,551	693,923
Taxable profit	<u>1,838,953</u>	<u>1,326,186</u>	<u>4,979,240</u>	<u>4,010,015</u>
Normal income tax rate (%)	20.00 - 25.00	20.00 - 25.00	20.00 - 25.00	20.00 - 25.00
Income tax for the period currently payable	370,282	263,365	1,003,704	804,972
Deferred tax from temporary differences	(113,715)	(44,731)	(251,016)	(138,892)
Income tax expense per statements of profit or loss	<u>256,567</u>	<u>218,634</u>	<u>752,688</u>	<u>666,080</u>
Effective tax rate (%)	19.99	19.25	19.94	19.62

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month		For the nine-month	
	periods ended November 30,		periods ended November 30,	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Accounting profit before income tax	1,288,088	1,036,550	3,539,025	3,323,268
Permanent differences	(17,108)	(24,714)	(56,260)	(69,303)
Temporary differences	566,582	222,596	1,236,261	707,930
Income that is exempt from taxable	(187,995)	(28,464)	(298,184)	(228,279)
Taxable profit	<u>1,649,567</u>	<u>1,205,968</u>	<u>4,420,842</u>	<u>3,733,616</u>
Normal income tax rate (%)	20.00	20.00	20.00	20.00
Income tax for the period currently payable	329,913	241,193	884,168	746,723
Deferred tax from temporary differences	(113,317)	(44,519)	(247,252)	(141,586)
Income tax expense per statements of profit or loss	<u>216,596</u>	<u>196,674</u>	<u>636,916</u>	<u>605,137</u>
Effective tax rate (%)	16.82	18.97	18.00	18.21

19. TRANSACTIONS WITH RELATED PARTIES

The consolidated and separate financial statements include certain transactions with the subsidiaries, an 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, the associate and the related parties which are as follows:

19.1 Investments in an associate and subsidiaries (see Note 6.2) as at November 30, 2019 and February 28, 2019, are as follows:

Related parties	Relationship	SEPARATE FINANCIAL STATEMENTS					
		“Unaudited”					
		As at November 30, 2019			As at February 28, 2019		
		Ownership	Paid-up	Cost	Ownership	Paid-up	Cost
	%	capital		%	capital		
		Baht '000	Baht '000		Baht '000	Baht '000	
Investments in an associate and subsidiaries							
Investment in an associate							
ACS Trading Vietnam Company Limited	Associate	20.00	84,096.3	16,819.3	20.00	84,096.3	16,819.3
Total investment in an associate				<u>16,819.3</u>			<u>16,819.3</u>
Investments in subsidiaries							
ACS Servicing (Thailand) Company Limited	Subsidiary	100.00	175,349.1	175,349.1	100.00	175,349.1	175,349.1
AEON Insurance Service (Thailand) Company Limited	Subsidiary	100.00	149,224.3	149,224.3	100.00	149,224.3	149,224.3
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	50.00	643,720.4	323,580.0	50.00	643,720.4	323,580.0
AEON Microfinance (Myanmar) Company Limited	Subsidiary	100.00	455,403.3	455,403.3	100.00	276,769.1	276,769.1
AEON Leasing Service (Lao) Company Limited	Subsidiary	92.58	111,402.9	103,069.1	92.58	111,402.9	103,069.1
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	48.75	40.0	19.5	48.75	40.0	19.5
Total investments in subsidiaries				<u>1,206,645.3</u>			<u>1,028,011.1</u>
Total investments in an associate and subsidiaries				<u>1,223,464.6</u>			<u>1,044,830.4</u>

19.2 Business transactions with related parties

19.2.1 Balances with related parties as at November 30, 2019 and February 28, 2019, are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		“Unaudited” As at November 30, 2019 Baht '000	As at February 28, 2019 Baht '000	“Unaudited” As at November 30, 2019 Baht '000	As at February 28, 2019 Baht '000
Other receivables					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	31,423	59,931
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	1,277	2,135
AEON Financial Service Co., Ltd.	Major shareholder	1,859	1,081	135	187
ACS Capital Corporation Limited	Shareholder and one common director	2,471	887	1	17
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	1,050	1,092
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	48,033	44,520
AEON Microfinance (Myanmar) Company Limited	Subsidiary	-	-	-	12
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	-	8
ACS Trading Vietnam Company Limited	Associate	-	30	-	10
AEON (Cambodia) Company Limited	Common ultimate holding company	-	72	-	-
AEON Mall (Cambodia) Company Limited	Common ultimate holding company	-	1,791	-	-
AEON Credit Service Company Limited	Common ultimate holding company	23	-	-	-
		<u>4,353</u>	<u>3,861</u>	<u>81,919</u>	<u>107,912</u>
Seller loan in Special Purpose Vehicle for securitization (see Note 7)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	235,420	199,920
Subordinated lendings (see Note 8.1)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	84,074	84,074
Long-term borrowings (see Note 11)					
AEON Bank Ltd.	Common ultimate holding company	698,528	1,436,331	698,528	1,436,331
Trade payables					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	237	610
Other payables					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	10,166	11,692
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	50,382	41,556
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	62,380	71,558
AEON (Thailand) Company Limited	Shareholder and two common directors	485	1,434	485	1,434
AEON Financial Service Co., Ltd.	Major shareholder	23,589	154,882	16,232	62,680
AEON Credit Service Company Limited	Common ultimate holding company	11,831	7,024	8,950	3,387
AEON Credit Service Systems (Philippines) Inc.	Holding shares	1,728	244	-	189
AEON Bank Ltd.	Common ultimate holding company	2,776	1,864	2,681	1,271
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	-	3,630	-	-
AEON ASIA SDN. BHD.	Common ultimate holding company	-	193	-	193
		<u>40,409</u>	<u>169,271</u>	<u>151,276</u>	<u>193,960</u>

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
		As at November 30, 2019 Baht '000	As at February 28, 2019 Baht '000	As at November 30, 2019 Baht '000	As at February 28, 2019 Baht '000
Long-term borrowings under securitization project (see Note 12)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,708,634	1,652,515
Deposit received					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	4,187	5,266
Deferred revenue					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	84,175	27,689

19.2.2 Transactions with related parties for the three-month and nine-month periods ended November 30, 2019 and 2018, are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS			
		For the three-month periods ended November 30,		For the nine-month periods ended November 30,	
		2019 Baht '000	2018 Baht '000	2019 Baht '000	2018 Baht '000
Collection service income					
ACS Capital Corporation Limited	Shareholder and one common director	744	-	2,224	-
Other income					
ACS Capital Corporation Limited	Shareholder and one common director	3,053	600	5,742	2,600
Operating and administrative expenses					
Others					
AEON Financial Service Co., Ltd.	Major shareholder	24,276	25,931	75,630	77,884
AEON Credit Service Company Limited	Common ultimate holding company	8,406	8,609	33,229	32,066
AEON (Thailand) Company Limited	Holding shares and two common directors	2,687	1,942	11,151	7,747
AEON Credit Service Systems (Philippines) Inc.	Holding shares	1,293	2,847	4,797	7,524
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	236	1,069	1,700	2,216
AEON Bank Ltd.	Common ultimate holding company	4,836	604	6,050	1,960
		<u>41,734</u>	<u>41,002</u>	<u>132,557</u>	<u>129,397</u>

		CONSOLIDATED FINANCIAL STATEMENTS			
		For the three-month periods ended November 30,		For the nine-month periods ended November 30,	
Related parties	Relationship	2019 Baht '000	2018 Baht '000	2019 Baht '000	2018 Baht '000
Finance costs					
AEON Financial Service Co., Ltd.	Major shareholder	637	401	1,780	1,037
AEON Bank Ltd.	Common ultimate holding company	1,607	2,803	6,776	8,471
		<u>2,244</u>	<u>3,204</u>	<u>8,556</u>	<u>9,508</u>
Dividend paid					
ACS Capital Corporation Limited	Shareholder and one common director	117,600	112,800	230,400	220,800
AEON Financial Service Co., Ltd.	Major shareholder	215,110	206,330	421,440	403,880
AEON Holding (Thailand) Limited	Common ultimate holding company	53,900	51,700	105,600	101,200
		<u>386,610</u>	<u>370,830</u>	<u>757,440</u>	<u>725,880</u>
		SEPARATE FINANCIAL STATEMENTS			
		For the three-month periods ended November 30,		For the nine-month periods ended November 30,	
Related parties	Relationship	2019 Baht '000	2018 Baht '000	2019 Baht '000	2018 Baht '000
Sale promotion income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	893	1,538	2,008	5,076
Credit card income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	91,692	88,030	275,274	253,970
Revenues relating to securitization transaction (included in loan income) (see Note 16)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	42,137	34,344	128,313	99,967
Dividend income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	30,000	20,000	92,500	75,000
ACS Servicing (Thailand) Company Limited	Subsidiary	148,000	-	171,680	95,016
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	-	30,368
		<u>178,000</u>	<u>20,000</u>	<u>264,180</u>	<u>200,384</u>
Other income					
ACS Capital Corporation Limited	Shareholder and one common director	990	600	2,271	2,600
AEON Insurance Service (Thailand) Company Limited	Subsidiary	13,638	13,144	37,758	39,256
ACS Servicing (Thailand) Company Limited	Subsidiary	2,631	962	4,562	2,895
		<u>17,259</u>	<u>14,706</u>	<u>44,591</u>	<u>44,751</u>

		SEPARATE FINANCIAL STATEMENTS			
		For the three-month periods ended November 30,		For the nine-month periods ended November 30,	
Related parties	Relationship	2019 Baht '000	2018 Baht '000	2019 Baht '000	2018 Baht '000
Operating and administrative expenses					
Collection service fee					
ACS Servicing (Thailand) Company Limited	Subsidiary	86,676	115,986	325,475	296,903
Others					
AEON Financial Service Co., Ltd.	Major shareholder	23,281	18,953	69,510	64,073
AEON Credit Service Company Limited	Common ultimate holding company	5,270	4,866	14,038	14,021
AEON (Thailand) Company Limited	Holding shares and two common directors	2,687	1,942	11,151	7,747
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	8,611	-	19,061
AEON Credit Service Systems (Philippines) Inc.	Holding shares	729	1,046	3,078	3,542
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	6,117	5,231	19,308	13,821
AEON Bank Ltd.	Common ultimate holding company	798	604	2,012	1,960
		<u>38,882</u>	<u>41,253</u>	<u>119,097</u>	<u>124,225</u>
Finance costs					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	109,855	100,685	331,749	286,184
AEON Bank Ltd.	Common ultimate holding company	1,607	2,803	6,776	8,471
		<u>111,462</u>	<u>103,488</u>	<u>338,525</u>	<u>294,655</u>
Dividend paid					
ACS Capital Corporation Limited	Shareholder and one common director	117,600	112,800	230,400	220,800
AEON Financial Service Co., Ltd.	Major shareholder	215,110	206,330	421,440	403,880
AEON Holding (Thailand) Limited	Common ultimate holding company	53,900	51,700	105,600	101,200
		<u>386,610</u>	<u>370,830</u>	<u>757,440</u>	<u>725,880</u>

- Other income for the three-month and nine-month periods ended November 30, 2019 and 2018 include computer fee charged to ACS Capital Corporation Limited at the rate of Baht 1,000,000 per month from March 2018 and Baht 200,000 per month from April 2018 onwards, and charged to AEON Insurance Service (Thailand) Co., Ltd., and ACS Servicing (Thailand) Co., Ltd., at the rate of Baht 200,000 per month and Baht 200,000 per month, respectively, and from September 2019 onwards, Finance and Accounting operation services fee charged to ACS Capital Corporation Limited, AEON Insurance Service (Thailand) Limited, and ACS Servicing (Thailand) Limited at the rate of Baht 130,000 per month, Baht 550,000 per month and Baht 770,000 per month, respectively. The service fees are determined on a cost plus basis.
- Revenues relating to securitization transaction are determined by the Company and its subsidiary in accordance with securitization projects (see Note 5.5).
- 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 on a cost plus basis.
- Purchase price of computer programs paid to AEON Credit Service Systems (Philippines) Inc. is as specified in the agreement.

20. SEGMENT INFORMATION

The Group presents segment information in respect of the business segments based on the management and internal reporting structure. The business segments of the Group 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 Group does 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 a third party. Transactions between segments are eliminated on consolidation.

The segment information of the Group is classified by business segment as follows:

20.1 Operating results classified by business for the three-month and nine-month periods ended November 30, 2019 and 2018, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
For the three-month period ended November 30, 2019					
	Retail finance services		Other businesses	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	5,329,878	368,072	280,819	-	5,978,769
Inter - segment revenues	286,854	-	108,614	(395,468)	-
	<u>5,616,732</u>	<u>368,072</u>	<u>389,433</u>	<u>(395,468)</u>	<u>5,978,769</u>
Expenses					
Operating and administrative expenses	2,053,848	169,860	305,299	(217,469)	2,311,538
Directors and managements' remuneration	25,509	5,266	10,283	-	41,058
Bad debts and doubtful accounts (reversal)	1,749,330	36,849	(88)	-	1,786,091
Loss (gain) on sale and write-off of leasehold improvement and equipment and intangible assets	406	100	(54)	-	452
Finance costs	484,560	64,378	2	-	548,940
Total expenses	<u>4,313,653</u>	<u>276,453</u>	<u>315,442</u>	<u>(217,469)</u>	<u>4,688,079</u>
Share of loss from investment in an associate	-	-	-	(7,016)	(7,016)
Profit before income tax	1,303,079	91,619	73,991	(185,015)	1,283,674
Income tax expense	221,594	19,855	15,118	-	256,567
Net profit for the period	<u>1,081,485</u>	<u>71,764</u>	<u>58,873</u>	<u>(185,015)</u>	<u>1,027,107</u>

CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended November 30, 2018

	Retail finance services		Other businesses	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	4,718,486	231,669	275,230	-	5,225,385
Inter - segment revenues	123,674	-	97,440	(221,114)	-
	<u>4,842,160</u>	<u>231,669</u>	<u>372,670</u>	<u>(221,114)</u>	<u>5,225,385</u>
Expenses					
Operating and administrative expenses	1,877,759	135,521	297,824	(209,661)	2,101,443
Directors and managements' remuneration	28,144	10,275	6,170	-	44,589
Bad debts and doubtful accounts	1,388,492	16,997	1,468	-	1,406,957
Loss (gain) on sale and write-off of leasehold improvement and equipment and intangible assets	(69)	38	113	-	82
Finance costs	498,586	38,901	13	-	537,500
Total expenses	<u>3,792,912</u>	<u>201,732</u>	<u>305,588</u>	<u>(209,661)</u>	<u>4,090,571</u>
Share of profit from investment in an associate	-	-	-	725	725
Profit before income tax	1,049,248	29,937	67,082	(10,728)	1,135,539
Income tax expense	200,907	5,358	12,369	-	218,634
Net profit for the period	<u>848,341</u>	<u>24,579</u>	<u>54,713</u>	<u>(10,728)</u>	<u>916,905</u>

CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended November 30, 2019

	Retail finance services		Other businesses	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	15,267,972	1,019,648	848,422	-	17,136,042
Inter - segment revenues	583,782	-	323,478	(907,260)	-
	<u>15,851,754</u>	<u>1,019,648</u>	<u>1,171,900</u>	<u>(907,260)</u>	<u>17,136,042</u>
Expenses					
Operating and administrative expenses	6,033,411	477,932	915,694	(627,333)	6,799,704
Directors and managements' remuneration	74,646	28,818	22,518	-	125,982
Bad debts and doubtful accounts (reversal)	4,677,183	96,950	(106)	-	4,774,027
Loss on sale of investment	539	-	-	-	539
Loss (gain) on sale and write-off of leasehold improvement and equipment and intangible assets	2,128	384	(56)	-	2,456
Finance costs	1,473,816	175,448	14	-	1,649,278
Total expenses	<u>12,261,723</u>	<u>779,532</u>	<u>938,064</u>	<u>(627,333)</u>	<u>13,351,986</u>
Share of loss from investment in an associate	-	-	-	(9,569)	(9,569)
Profit before income tax	3,590,031	240,116	233,836	(289,496)	3,774,487
Income tax expense	653,918	51,861	46,909	-	752,688
Net profit for the period	<u>2,936,113</u>	<u>188,255</u>	<u>186,927</u>	<u>(289,496)</u>	<u>3,021,799</u>

CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended November 30, 2018

	Retail finance services		Other businesses	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	13,922,510	608,420	804,361	-	15,335,291
Inter - segment revenues	507,219	-	405,186	(912,405)	-
	<u>14,429,729</u>	<u>608,420</u>	<u>1,209,547</u>	<u>(912,405)</u>	<u>15,335,291</u>
Expenses					
Operating and administrative expenses	5,618,354	369,862	1,019,209	(709,031)	6,298,394
Directors and managements' remuneration	82,986	29,854	20,909	-	133,749
Bad debts and doubtful accounts	3,822,005	43,827	772	-	3,866,604
Loss (gain) on sale and write-off of leasehold improvement and equipment and intangible assets	1,734	143	(6,547)	7,873	3,203
Finance costs	1,539,539	103,443	352	-	1,643,334
Total expenses	<u>11,064,618</u>	<u>547,129</u>	<u>1,034,695</u>	<u>(701,158)</u>	<u>11,945,284</u>
Share of profit from investment in an associate	-	-	-	4,613	4,613
Profit before income tax	3,365,111	61,291	174,852	(206,634)	3,394,620
Income tax expense	619,085	13,447	33,548	-	666,080
Net profit for the period	<u>2,746,026</u>	<u>47,844</u>	<u>141,304</u>	<u>(206,634)</u>	<u>2,728,540</u>

20.2 Financial positions classified by business are as follows:

CONSOLIDATED FINANCIAL STATEMENTS
"Unaudited"

As at November 30, 2019

	Retail finance services		Other businesses	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Trade and other receivables	81,451,306	5,195,515	435,923	(232,665)	86,850,079
Leasehold improvement and equipment and intangible assets	1,281,285	213,379	81,571	(7,972)	1,568,263
Other assets	5,979,649	551,399	754,004	(1,156,325)	6,128,727
Total assets	<u>88,712,240</u>	<u>5,960,293</u>	<u>1,271,498</u>	<u>(1,396,962)</u>	<u>94,547,069</u>
Total liabilities	<u>69,551,826</u>	<u>4,615,807</u>	<u>288,448</u>	<u>(185,544)</u>	<u>74,270,537</u>

CONSOLIDATED FINANCIAL STATEMENTS

As at February 28, 2019

	Retail finance services		Other businesses	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Trade and other receivables	76,442,062	3,651,073	371,831	(143,273)	80,321,693
Leasehold improvement and equipment and intangible assets	1,216,854	203,495	74,045	(7,972)	1,486,422
Other assets	5,039,686	222,593	1,001,964	(950,821)	5,313,422
Total assets	<u>82,698,602</u>	<u>4,077,161</u>	<u>1,447,840</u>	<u>(1,102,066)</u>	<u>87,121,537</u>
Total liabilities	<u>65,240,302</u>	<u>3,199,934</u>	<u>387,537</u>	<u>(94,599)</u>	<u>68,733,174</u>

21. CREDIT FACILITIES AND LETTER OF GUARANTEE

- 21.1 As at November 30, 2019 and February 28, 2019, the Company has unused committed and unsecured revolving credit facility agreements with various financial institutions totaling Baht 3,000 million.
- 21.2 As at November 30, 2019 and February 28, 2019, the Company has unused and unsecured overdraft facilities with various banks totaling Baht 2,088 million and Baht 2,440 million, respectively.
- 21.3 As at November 30, 2019 and February 28, 2019, the Company has a bank's letter of guarantee issued to suppliers for guarantee payment of Baht 0.50 million. Such letter of guarantee is unsecured.
- 21.4 As at November 30, 2019 and February 28, 2019, two subsidiaries have letters of guarantee issued by banks in the amount of Baht 5.58 million and Baht 5.83 million, respectively.

22. SALES OF WRITTEN-OFF RECEIVABLES

- 22.1 On June 28, 2018, the Company sold written-off receivables under loan agreements and credit card agreements to ACS Servicing (Thailand) Company Limited (the "buyer"), a subsidiary, with the purchase price of Baht 31.52 million. On the same date, the Company entered into the "Asset Sale and Purchase Agreement" with the buyer. The agreement sets out the conditions and terms in respect of the sales, assignment and conveyance of the Company's rights, title, claim, obligation, liability and interest in the written-off receivables under loan agreements and credit card agreements. On June 28, 2018, which is the closing date as specified in the agreement, the Company received the payment in full from the buyer. However, the Group has retained substantially all of the risks and rewards of the assets transferred to the buyer which is the subsidiary. Consequently, the Company recorded cash received from the buyer as deferred revenue which will be recognized as revenue when the buyer can collect from debtors. The Company has already recognized revenue of Baht 0.57 million and Baht 2.05 million as bad debt recovery in the consolidated and separate statements of profit or loss for the three-month and nine-month periods ended November 30, 2019, respectively, and recorded outstanding deferred revenue of Baht 25.18 million as other current liabilities in the separate statements of financial position as at November 30, 2019.

Under the Asset Sale and Purchase Agreement, if the buyer wished to sell or transfer loans receivable that were intended to be a portfolio sale to a third party, the Company will be entitled to the right to first negotiate with the buyer with regard to a purchase of the portfolio before any third party. If the negotiation could not be concluded within three months or the Company decided not to make a purchase, the buyer might sell such loans receivable to a third party.

22.2 On October 28, 2019, the Company sold written-off receivables under loan agreements and credit card agreements by a bidding process to ACS Servicing (Thailand) Company Limited (the “buyer”), a subsidiary, with the purchase price of Baht 59.11 million. On the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement sets out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off receivables under loan agreements and credit card agreements. On October 28, 2019, which is the closing date as specified in the agreement, the Company received the payment in full from the buyer. However, the Group has retained substantially all of the risks and rewards of the assets transferred to the buyer which is the subsidiary. Consequently, the Company recorded cash received from the buyer as deferred revenue which will be recognized as revenue when the buyer can collect from debtors. The Company has already recognized revenue of Baht 0.45 million as bad debt recovery in the consolidated and separate statements of profit or loss for the three-month and nine-month periods ended November 30, 2019 and recorded outstanding deferred revenue of Baht 58.66 million as other current liabilities in the separate statements of financial position as at November 30, 2019.

Under the Asset Sale and Purchase Agreement, if the buyer wished to sell or transfer loans receivable that were intended to be a portfolio sale to a third party, the Company will be entitled to the right to first negotiate with the buyer with regard to a purchase of the portfolio before any third party. If the negotiation could not be concluded within three months or the Company decided not to make a purchase, the buyer might sell such loans receivable to a third party.

22.3 On October 28, 2019, the Company sold written-off receivables under loan agreements and credit card agreements by a bidding process to an unrelated local company (the “buyer”) with the purchase price of Baht 247.94 million. On the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement set out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off receivables under loan agreements and credit card agreements. On October 28, 2019, which is the closing date as specified in the agreement, the Company received the payment in full from the buyer. The Company has already recognized gain on sale of written-off receivables totaling Baht 247.94 million in the consolidated and separate statements of profit or loss for the three-month and nine-month periods ended November 30, 2019.

Under the Asset Sale and Purchase Agreement, if the buyer wished to sell or transfer loans receivable that were intended to be a portfolio sale to a third party, the Company will be entitled to the right to first negotiate with the buyer with regard to a purchase of the portfolio before any third party. If the negotiation could not be concluded within three months or the Company decided not to make a purchase, the buyer might sell such loans receivable to a third party.

23. RECLASSIFICATION

A reclassification has been made in the consolidated statement of financial position as at February 28, 2019, to conform to the classification used in the consolidated statement of financial position as at November 30, 2019. Such reclassification has no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassification is as follows:

Account	Previous presentation	Current presentation	Amount Baht '000
Refundable corporate income tax	Current tax assets which presented under current assets	Other receivables which presented under current assets	51,486

24. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issue by the Company's authorized director and the Audit Committee on January 7, 2020.

(Translation)

No. 01/2020

January 8, 2020

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 01/2020

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby reported the resolutions passed at the meeting of the Board of Directors No. 01/2020 held on January 8, 2020, from 10:00 a.m. as follows:

1. Acknowledged the Company's performance for the third quarter ended November 30, 2019;
2. Unanimously approved the reviewed financial statements of the Company for the third quarter and nine-month period ended November 30, 2019;

Please be informed accordingly

Yours sincerely,

Kenji Fujita

Managing Director

Management Discussion and Analysis for the 3rd Quarter 2019

Ended November 30, 2019

AEON Thana Sinsap (Thailand) Public Company Limited (“the Company”) has already submitted the consolidated reviewed the 3rd quarter financial statements as of November 30, 2019 which were reviewed by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The operating performance is summarized as follows.

Overview

According to the Bank of Thailand and Office of the National Economic and Social Development Board data, the Thai economy in the third quarter of 2019 expanded by 2.4%, slightly increased from 2.3% in the second quarter of 2019, mainly driven by expansion of private consumption, government spending and tourism sector. Meanwhile, exports sector continued to contract caused by uncertainty in trade policies of US and China and global economic, the conflict in the Middle Eastern that impacted global oil price as well as the Baht's ongoing appreciation.

As of November 30, 2019, the Company's total cards reached 8.92 million cards, increased by 5% from the end of fiscal year 2018 (including 2.82 million credit cards, increased by 8% from the end of last year and 6.1 million member cards, increased by 3% from the end of last year). The Company has active customers more than 2 million IDs, mainly from Bangkok 31%, and in up-country 69%. Covering networks nationwide, the Company has 104 branches, 416 ATMs, and 6,543 dealer members to provide a quality of financial services to AEON cardholders. For overseas business in Cambodia, Myanmar and Laos, they have active customers more than 326,000 customers, increased by 37% from last year, and representing 11% of total Company customers.

Summary of Consolidated Financial Results

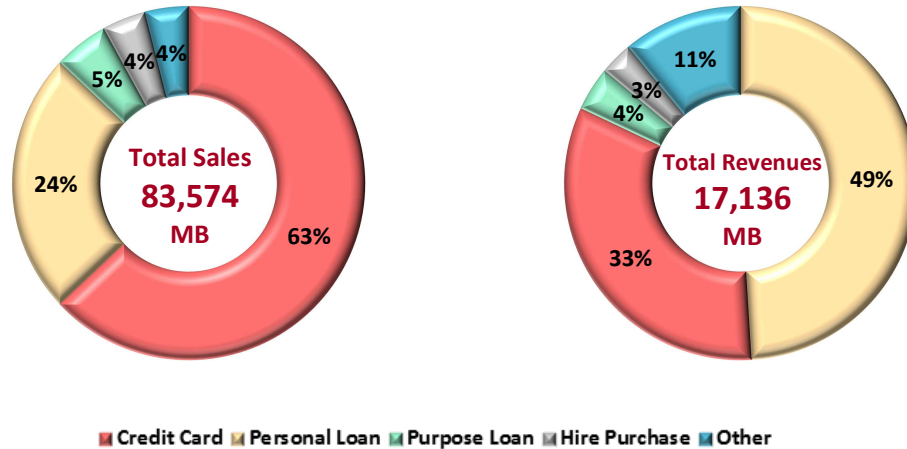
1. Operating Results

Profit and Loss Statement (Consolidated)	3Q/18	2Q/19	3Q/19	%QoQ	%YoY	9M18	9M19	%YoY
Unit : Million Baht								
Credit card income	1,914	1,887	1,897	1%	-1%	5,646	5,651	0%
Loan income	2,689	3,020	3,048	1%	13%	7,933	8,988	13%
Hire-purchase income	111	173	192	11%	73%	301	513	70%
Other income	511	584	841	44%	65%	1,456	1,984	36%
Total Revenues	5,225	5,664	5,979	6%	14%	15,335	17,136	12%
Operating and administrative expenses and others	2,146	2,293	2,353	3%	10%	6,435	6,928	8%
Bad debts and doubtful accounts	1,407	1,593	1,786	12%	27%	3,867	4,774	23%
Finance costs	538	557	549	-1%	2%	1,643	1,649	0%
Total Expenses	4,091	4,443	4,688	5%	15%	11,945	13,352	12%
Profit before tax income	1,136	1,219	1,284	5%	13%	3,395	3,774	11%
Income tax expenses	219	241	257	6%	17%	666	753	13%
Net profit for the period	901	942	991	5%	10%	2,690	2,920	9%
Earning Per Share (Baht per share)	3.60	3.77	3.96	5%	10%	10.76	11.68	9%

Revenues

For the first nine months of 2019, the total consolidated revenues were 17,136 million baht, showing an increase of 1,801 million baht or 12% y-y. In the third quarter of 2019, the Company's revenues were 5,979 million baht, showing an increase of 754 million baht or 14% y-y and 6% q-q. This was the result of continued growth in core business revenues that increased by 9% y-y, especially in personal loan and hire purchase products as well as continued growth from bad debt recovery by 33% y-y. The revenue from overseas subsidiaries grew by 60% y-y as a result of customers increase and expanding a financial product line. In addition, in the third quarter of 2019, the Company recorded the other incomes from gain on sales of written-off receivables at the amount of 248 million baht. Details of each business can be described as follows:

Revenue Structure 9M/2019



- Credit Card

For the first nine months of 2019, credit cards turnover accounted 63% of total turnovers with revenue of 5,651 million baht, an increase of 5 million baht, which was at the same level as last year. In the third quarter of 2019, credit card revenue was 1,897 million baht, a decrease of 17 million baht or 1% y-y but increased 1% q-q. However, the Company has focused on customer base expansion by increasing credit card benefits. For example, "AEON Gift 2020" campaign, AEON credit cardholders register via SMS or AEON Thai Mobile Application or website in order to redeem the premiums and vouchers, "AEON Shop Smart" campaign, and cash back campaign. In September 2019, the Company launched Visa Olympic Themed Card, which offering special privileges for sports and health lovers, including 4-time/month free access to leading fitness clubs, yoga classes, and Muay Thai gyms. In addition, the customers will receive up to 30% discount at participating fitness clubs, golf clubs and football pitches. For subsidiary in overseas, in the third quarter of 2019, AEON Specialized Bank (Cambodia) Plc had credit card revenue of 19 million baht, grew by 76% y-y.

- Loans

For the first nine months of 2019, loans shared 29% of total turnovers with the revenue of 8,988 million baht, an increase of 1,055 million baht or 13% y-y. In the third quarter of 2019, loans revenue was 3,048 million baht, an increase of 359 million baht or 13% y-y and 1% q-q. Thus, the Company provides more channels to facilitate financial services to customers and reduce Company's operation cost. Currently, the Cardless transactions at ATMs accounted for 19% of total personal loan sales. Moreover, loan income from AEON Microfinance (Myanmar) Company Limited in the third quarter of 2019 grew by 50% y-y and AEON Specialized Bank (Cambodia) Plc grew by 77% y-y.

- Hire Purchase

For the first nine months of 2019, motorcycle and used car hire purchase in Thailand and hire purchase of electrical appliances, mobile phone and others in oversea subsidiaries, with the revenues of 513 million baht, increasing by 212 million baht or 70% y-y and hire purchase sales from overseas business grew by 63% y-y, especially from business in Cambodia grew by 81% y-y. In the third quarter of 2019, the Company had hire purchase revenue of 192 million baht, an increase of 81 million baht or 73% y-y and 11% q-q drove by auto loans business. In addition, in the third quarter of 2019, the Company had hire purchase income from AEON Specialized Bank (Cambodia) Plc that increased 73% y-y and AEON Leasing Service (Lao) Company Limited that increased 3% y-y.

- Others

For the first nine months of 2019, other incomes were 1,984 million baht, showing an increase of 528 million baht or 36% y-y and represented 12% of total revenues. The increase was mainly from the continued growth of bad debt recovery that increased by 38% y-y caused by increased the internal legal staff to expedite the legal process. In the third quarter of 2019, other incomes were 841 million baht, increasing by 330 million baht or 65% y-y, due to bad debt recovery increased by 33% y-y and 2% q-q. In addition, in the third quarter of 2019, The Company has other incomes from bad debt selling at the amount of 248 million baht. Moreover, the income for the first nine months of 2019 of Company's subsidiaries in Thailand, the Company had commission income of 396 million baht, increasing by 5% y-y from AEON Insurance Service (Thailand) Co., Ltd. and collection service income of 202 million baht, increasing by 2% y-y from ACS Servicing (Thailand) Co., Ltd.

Expenses

The Company's expenses mainly consist of operating and administrative expenses, bad debt and doubtful accounts and finance cost. The Company had total consolidated expenses for the first nine months of 2019 of 13,352 million baht, an increase of 1,407 million baht or 12% y-y. For the third quarter of 2019, the consolidated expenses were 4,688 million baht, an increase of 598 million baht or 15% y-y. Details of expenses are shown as follows:

- Operating and Administrative Expenses

For the first nine months of 2019, the consolidated operating and administrative expense were 6,926 million baht, increasing by 8% y-y and represented 40% of total revenues. The increasing of expenses came from marketing expense which increased 14% y-y and personal expense increased 8% y-y. For the third quarter of 2019, the consolidated operating and administrative expenses were 2,353 million baht, increasing by 10% y-y. However, the Company was able to control the operating and administrative expenses representing 39% of total revenues, which was lower than previous quarter at 40% of total revenues. Considering the Company's separate financial statement, the operating and administrative expenses as a percentage of revenues represented 37% in the third quarter of 2019.

- Bad debt and Doubtful accounts

The consolidated bad debts and doubtful accounts for the first nine months of 2019 amounted to 4,774 million baht, increasing by 23% y-y. For the third quarter of 2019, the Company recorded bad debts and doubtful accounts of 1,786 million baht, increasing by 27% y-y. The increase of bad debt and doubtful accounts was mainly from continued growth of total portfolio and also negatively impacted from the economic slowdown and new regulations of debt collection.

- Finance Cost

The Company recorded consolidated finance cost for the first nine months of 2019 amount of 1,649 million baht, which was at the same level as last year. For the third quarter of 2019, the finance cost was 549 million baht, increasing by 2% y-y and slightly decreased by 1% q-q and accounted for 9% of total revenues. The average funding cost in the third quarter of 2019 was at 2.93% decreased from 3.06% last year, due to a reducing trend of market interest rate and interest rate paid to ATS Rabbit Special Purpose Vehicle Company Limited.

Net Profit

For the first nine months of 2019, consolidated total operating income was reported at 3,774 million baht, showing an increase of 380 million baht or 11% y-y. The Company recorded net profit of 2,920 million baht, showing an increase of 230 million baht or 9% y-y, and earning per share was 11.68 baht. For the third quarter of 2019, the Company had consolidated operating income of 1,284 million baht, an increase of 148 million baht or 13% y-y and 5% q-q. The Company reported net profit attributed to owners of the parent of 991 million baht, an increase of 90 million baht or 10% y-y, 5% q-q and earning per share was 3.96 baht. The net profit in the third quarter of 2019 increased mainly from an increase in core business revenues, continued growth of bad debt recovery and total portfolio and a strong growth of both domestic and overseas subsidiaries. In addition, the Company efficiently managed the selling, general and administrative expense and funding cost.

2. Financial Status

Statement of Financial Position	February 28, 2019	November 30, 2019	Change
Unit : Million Baht			%YoY
Accounts Receivable	82,512	89,826	9%
Total Assets	87,121	94,547	9%
Total Borrowing	63,742	68,467	7%
Total Liabilities	68,733	74,270	8%
Total Equities	18,388	20,277	10%
ROE	20.8%	20.5%	-1%
ROA	4.2%	4.3%	2%
D/E Ratio	3.8	3.7	-3%

Total Assets

As of November 30, 2019, consolidated total assets were 94,547 million baht, an increase of 7,426 million baht or 9% from 87,122 million baht as of February 28, 2019. The main assets were attributed to the portfolio of net accounts receivable which shared 91% of total assets.

- Accounts Receivable

As of November 30, 2019, the Company has gross accounts receivable of 89,826 million baht (both current assets and non-current assets), increasing 9% from as of February 28, 2019. This can be categorized by business type as follows: credit card receivable of 37,636 million baht, increasing by 3% y-y; loans receivable of 47,959 million baht, increasing by 10% y-y; hire purchase receivable of 4,113 million baht, increasing by 94% y-y and others receivable of 118 million baht.

- Allowance for doubtful accounts

As of November 30, 2019, the Company provided allowance for doubtful accounts of 3,807 million baht or 4.24% of total accounts receivable, comparing to that of 2,880 million baht or 3.49% of total accounts receivable at the end of previous fiscal year. The percentage account receivable 3 month's overdue or non-performing loan ratio was 3.49%, increased from 2.77% at the end of last year.

Liabilities

The consolidated liabilities of the Company as of November 30, 2019, totaled 74,270 million baht, an increase of 5,537 million baht or 8% from 68,733 million baht at the end of fiscal year 2018. This was a result of both short-term and long-term borrowings increased by 7% from the end of last year to 68,467 million baht. The portion of long-term borrowings was 44,061 million baht or represented 64% of total borrowings, decreasing from 75% of fiscal year 2018.

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

On November 15, 2019, the Company has issued two tranches of debentures for Private Placement to institutional investors at the amount of 3,800 million baht comprise; (1) Tranche 1: Debenture term is 3 years and fixed interest rate at 2.27% per annum (2) Tranche 2: Debenture term is 5 years and fixed interest rate at 2.57% per annum. The debentures have been rated A-(tha) by Fitch Ratings (Thailand) Limited.

Shareholders' Equity

As of November 30, 2019, total shareholders' equity amounted to 20,277 million baht, an increase of 1,888 million baht or 10% over the end of fiscal year 2018. Consequently, book value as of November 30, 2019 was 79.6 baht per share, increased from 72.2 baht per share as of February 28, 2019.

Debt to Equity ratio as of November 30, 2019 at 3.7 times slightly decreased from 3.8 times at the end of 2018. Return on Equity (ROE) and Return on Asset (ROA) for nine months period were 20.5% and 4.3%, respectively.