

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of AEON Thana Sinsap (Thailand) Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at February 29, 2020, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and of AEON Thana Sinsap (Thailand) Public Company Limited as at February 29, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p>Allowance for doubtful accounts</p> <p>The allowance for doubtful accounts represents management’s estimation of loss that would occur from the Company’s loan portfolios as at the end of period.</p> <p>The Company calculated allowance for doubtful accounts on trade receivables based on a collective approach by classifying a group of loans having similar credit risk characteristics and using the historical loss experience including considering macroeconomic factors which might have an effect on the ability to repay the debt of the loan groups, for estimation of allowance for doubtful accounts of each loan group. The Company’s allowance for doubtful accounts shall not be less than allowance for doubtful accounts fully provided for all receivables over 3 installments contractually past due in order to comply with the notification of the Office of the Securities and Exchange Commission.</p> <p>The allowance for doubtful accounts is a key audit matter as there are management’s judgment and assumption applied to the calculation of allowance for doubtful accounts.</p> <p>The allowance for doubtful accounts is presented as deductive amount of trade receivables. Accounting policy and detail of allowance for doubtful accounts were disclosed in Note 3.3 and Note 5 to the financial statements, respectively.</p>	<p>Key audit procedures included</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company’s design of internal controls over credit approval, source data used in calculation of allowance for doubtful accounts and calculation of allowance for doubtful accounts • Evaluated the design and implementation and performed operating effectiveness testing of key internal controls over credit approval, source data used in calculation of allowance for doubtful accounts and calculation of allowance for doubtful accounts • Evaluated the design and implementation and performed operating effectiveness testing of key General Computer Controls over the IT processing environment for retail finance system with the involvement of IT specialists • Tested application controls with the involvement of IT specialists over the completeness and accuracy of the reports generated from retail finance system relevant to source data used in the calculation of allowance for doubtful accounts • Assessed the adequacy of allowance and appropriateness of methodology, significant input and assumption used in calculation of allowance for doubtful accounts to determine if they are in compliance with the accounting standards and regulatory requirements and have been consistently applied • Tested calculation of allowance for doubtful accounts • Performed analysis of the Company’s allowance for doubtful accounts by comparing to historical data and considering related macroeconomic factors.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BANGKOK
April 22, 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 FEBRUARY 29, 2020

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	4,993,557	4,068,052	3,462,432	2,792,584
Trade and other current receivables					
Trade receivables	5	81,307,074	77,800,975	78,306,046	75,412,204
Other receivables	6	942,044	689,337	833,052	587,932
Seller loan in Special Purpose Vehicle					
for securitization	10	-	-	235,074	199,920
Receivables per currency swap contracts	19 and 21	151,056	35,908	151,056	35,908
Current tax assets		-	15,745	-	-
Other current assets		75,641	146,437	39,028	37,818
Total Current Assets		<u>87,469,372</u>	<u>82,756,454</u>	<u>83,026,688</u>	<u>79,066,366</u>
NON-CURRENT ASSETS					
Trade receivables	5	4,962,730	1,831,381	2,085,728	486,446
Fixed deposits at banks under obligations	7	39,283	42,139	-	-
Long-term loan to a related party	8	-	-	125,858	-
Investment in an associate	9.1 and 9.2	25,431	38,096	16,819	16,819
Investments in subsidiaries	9.2	-	-	1,206,645	1,028,011
Other long-term investments					
Related companies	9.3	19,072	20,072	19,072	20,072
Subordinated lendings	11.1	-	-	84,074	84,074
Leasehold improvement and equipment	12	885,495	956,829	725,045	803,219
Intangible assets	13	646,481	529,593	511,377	413,635
Receivables per currency swap contracts	19 and 21	210,072	118,875	210,072	118,875
Deferred tax assets	14	926,002	621,650	896,851	600,052
Other non-current assets	15	211,673	206,448	181,773	180,220
Total Non-current Assets		<u>7,926,239</u>	<u>4,365,083</u>	<u>6,063,314</u>	<u>3,751,423</u>
TOTAL ASSETS		<u><u>95,395,611</u></u>	<u><u>87,121,537</u></u>	<u><u>89,090,002</u></u>	<u><u>82,817,789</u></u>

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

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT FEBRUARY 29, 2020

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	16	7,211,233	7,100,203	3,400,056	4,690,163
Trade and other current payables					
Trade payables		522,088	517,370	371,514	183,274
Other payables	17	1,690,368	1,501,998	1,568,907	1,480,055
Current portion of long-term liabilities					
Liabilities under finance lease agreements	18	-	911	-	-
Long-term borrowings	19	11,445,597	6,071,921	10,960,296	5,974,076
Long-term debentures	21	7,298,784	2,980,813	7,298,784	2,980,813
Current income tax payable		655,977	467,872	587,564	434,002
Payables per currency swap contracts	19 and 21	526,253	441,278	526,253	441,278
Other current liabilities		256,469	234,293	301,981	227,072
Total Current Liabilities		<u>29,606,769</u>	<u>19,316,659</u>	<u>25,015,355</u>	<u>16,410,733</u>
NON-CURRENT LIABILITIES					
Long-term borrowings	19	33,814,014	34,546,943	33,116,395	34,025,106
Long-term borrowings under securitization project	20	-	-	1,662,552	1,652,515
Long-term debentures	21	9,489,182	12,957,807	8,016,100	11,484,725
Payables per currency swap contracts	19 and 21	867,341	1,543,443	867,341	1,543,443
Subordinated borrowings	11.2	84,074	84,074	-	-
Provisions for employee benefit	22	393,419	271,321	352,594	242,534
Other non-current liabilities		15,665	12,927	291	457
Total Non-current Liabilities		<u>44,663,695</u>	<u>49,416,515</u>	<u>44,015,273</u>	<u>48,948,780</u>
TOTAL LIABILITIES		<u>74,270,464</u>	<u>68,733,174</u>	<u>69,030,628</u>	<u>65,359,513</u>

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT FEBRUARY 29, 2020

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY	23				
SHARE CAPITAL					
Authorized share capital					
250,000,000 ordinary shares of Baht 1 each		250,000	250,000	250,000	250,000
Issued and paid-up share capital					
250,000,000 ordinary shares of Baht 1 each, fully paid		250,000	250,000	250,000	250,000
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		15,302,773	12,574,005	14,456,374	11,855,276
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY					
Exchange differences on translating financial statements of foreign operations	26	(177,795)	(123,078)	-	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		20,727,978	18,053,927	20,059,374	17,458,276
NON-CONTROLLING INTERESTS		397,169	334,436	-	-
TOTAL SHAREHOLDERS' EQUITY		21,125,147	18,388,363	20,059,374	17,458,276
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		95,395,611	87,121,537	89,090,002	82,817,789

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

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

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED FEBRUARY 29, 2020

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
REVENUES					
Credit card income		7,528,918	7,489,675	7,821,814	7,795,067
Loan income	27	12,065,440	10,722,749	11,576,150	10,455,531
Hire-purchase income		754,005	431,258	170,422	65,825
Other income					
Bad debt recovery		1,038,355	763,808	1,038,355	763,808
Gain on sale of written-off accounts receivable	38.4 and 38.5	577,133	-	577,133	-
Collection service income		267,670	265,920	1,125	3,021
Commission income		531,266	513,372	-	-
Dividend income		-	-	264,180	200,384
Others		538,165	454,919	152,963	145,263
Total other income		2,952,589	1,998,019	2,033,756	1,112,476
Total Revenues		23,300,952	20,641,701	21,602,142	19,428,899
EXPENSES					
Operating and administrative expenses		9,091,228	8,520,879	8,056,550	7,603,809
Directors and managements' remuneration	28	171,906	182,487	101,516	115,166
Bad debts and doubtful accounts		6,646,262	5,284,541	6,352,815	5,087,827
Loss on impairment of investment and assets		-	44,913	-	44,913
Loss on sale of investment		539	-	539	-
Loss on sale and write-off of leasehold improvement and equipment and intangible assets		25,393	5,528	24,866	3,946
Finance costs		2,209,172	2,174,724	2,354,969	2,358,075
Total Expenses	30	18,144,500	16,213,072	16,891,255	15,213,736
Share of profit (loss) from investment in an associate	9.1	(12,665)	5,614	-	-
PROFIT BEFORE INCOME TAX		5,143,787	4,434,243	4,710,887	4,215,163
INCOME TAX EXPENSE	31	1,023,556	867,619	866,138	777,335
NET PROFIT FOR THE YEAR		4,120,231	3,566,624	3,844,749	3,437,828
NET PROFIT ATTRIBUTABLE TO :					
Owners of the parent		3,975,357	3,506,487	3,844,749	3,437,828
Non-controlling interests		144,874	60,137	-	-
		4,120,231	3,566,624	3,844,749	3,437,828
BASIC EARNINGS PER SHARE	BAHT	15.90	14.03	15.38	13.75
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES	SHARES	250,000,000	250,000,000	250,000,000	250,000,000

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED FEBRUARY 29, 2020

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
Net profit for the year		4,120,231	3,566,624	3,844,749	3,437,828
Other comprehensive loss, net of tax					
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translating financial statements of foreign operations					
- Owners of the parent	26	(54,717)	(33,137)	-	-
- Non-controlling interests		(40,235)	(1,118)	-	-
Components of other comprehensive income that will not be reclassified to profit or loss					
Loss on remeasurements of defined benefit plans		(46,594)	(6,062)	(43,656)	(7,193)
Other comprehensive loss for the year, net of tax		(141,546)	(40,317)	(43,656)	(7,193)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,978,685</u>	<u>3,526,307</u>	<u>3,801,093</u>	<u>3,430,635</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :					
Owners of the parent		3,874,046	3,467,288	3,801,093	3,430,635
Non-controlling interests		104,639	59,019	-	-
		<u>3,978,685</u>	<u>3,526,307</u>	<u>3,801,093</u>	<u>3,430,635</u>

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED FEBRUARY 29, 2020

UNIT : THOUSAND BAHT

Notes	CONSOLIDATED FINANCIAL STATEMENTS								Total shareholders' equity
	Issued and paid-up share capital	Share premium on ordinary shares	Owners of the parent Retained earnings		Other components of shareholders' equity	Total owners of the parent	Non-controlling interests		
			Appropriated Legal reserve	Unappropriated Reserve for business expansion	Exchange differences on translating financial statements of foreign operations				
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 year									
Increase in share capital from non-controlling interests in a subsidiary 9.2	-	-	-	-	-	-	-	235,547	235,547
Dividend paid 23.1	-	-	-	-	(562,498)	-	(562,498)	(45,297)	(607,795)
Interim dividend paid 23.2	-	-	-	-	(587,497)	-	(587,497)	-	(587,497)
Net profit for the year	-	-	-	-	3,506,487	-	3,506,487	60,137	3,566,624
Other comprehensive loss	-	-	-	-	(6,062)	(33,137)	(39,199)	(1,118)	(40,317)
Ending balance as at February 28, 2019	250,000	478,000	25,000	4,850,000	12,574,005	(123,078)	18,053,927	334,436	18,388,363
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 year									
Dividend paid 23.3	-	-	-	-	(587,497)	-	(587,497)	(41,906)	(629,403)
Interim dividend paid 23.4	-	-	-	-	(612,498)	-	(612,498)	-	(612,498)
Net profit for the year	-	-	-	-	3,975,357	-	3,975,357	144,874	4,120,231
Other comprehensive loss	-	-	-	-	(46,594)	(54,717)	(101,311)	(40,235)	(141,546)
Ending balance as at February 29, 2020	250,000	478,000	25,000	4,850,000	15,302,773	(177,795)	20,727,978	397,169	21,125,147

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

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED FEBRUARY 29, 2020

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 year							
Dividend paid	23.1	-	-	-	-	(562,498)	(562,498)
Interim dividend paid	23.2	-	-	-	-	(587,497)	(587,497)
Net profit for the year		-	-	-	-	3,437,828	3,437,828
Other comprehensive loss		-	-	-	-	(7,193)	(7,193)
Ending balance as at February 28, 2019		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>11,855,276</u>	<u>17,458,276</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 year							
Dividend paid	23.3	-	-	-	-	(587,497)	(587,497)
Interim dividend paid	23.4	-	-	-	-	(612,498)	(612,498)
Net profit for the year		-	-	-	-	3,844,749	3,844,749
Other comprehensive loss		-	-	-	-	(43,656)	(43,656)
Ending balance as at February 29, 2020		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>14,456,374</u>	<u>20,059,374</u>

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

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED FEBRUARY 29, 2020

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax		5,143,787	4,434,243	4,710,887	4,215,163
Adjustments for:					
Share of (profit) loss from investment in an associate		12,665	(5,614)	-	-
Bad debts and doubtful accounts		6,646,262	5,284,541	6,352,815	5,087,827
Loss on impairment of investment and asset		-	44,913	-	44,913
Loss on sale of investment		539	-	539	-
Depreciation of leasehold improvement and equipment		373,519	391,697	303,585	311,504
Amortization of intangible assets		175,051	161,961	146,640	135,059
Loss on sale of leasehold improvement and equipment		5,005	3,345	5,136	2,223
Loss on write-off of leasehold improvement and equipment		658	532	-	72
Loss on write-off of intangible assets		19,730	1,651	19,730	1,651
Employee benefit expense		66,635	113,978	58,141	102,062
Gain on sales of written-off receivables		(577,133)	-	(577,133)	-
Unrealized gain on translating long-term loan to a related company		-	-	(5,252)	-
Interest income		(13,497,307)	(12,108,226)	(11,761,469)	(10,933,376)
Dividend income		-	-	(264,180)	(200,384)
Finance costs		2,209,172	2,174,724	2,354,969	2,358,075
		<u>578,583</u>	<u>497,745</u>	<u>1,344,408</u>	<u>1,124,789</u>
Operating assets (increase) decrease					
Trade and other current receivables		(14,213,892)	(11,668,530)	(11,695,831)	(10,045,119)
Other current assets		70,652	(113,816)	(1,210)	2,612
Other non-current assets		(6,181)	(10,661)	(1,553)	(8,140)
Operating liabilities increase (decrease)					
Trade and other current payables		194,956	106,198	275,413	(131,052)
Other current liabilities		23,716	63,590	15,796	83,567
Other non-current liabilities		3,183	2,225	(166)	(572)
Cash paid for operations		(13,348,983)	(11,123,249)	(10,063,143)	(8,973,915)
Proceeds from interest income		14,058,434	12,077,077	12,370,667	10,943,403
Dividend received		-	-	264,180	196,132
Finance costs paid		(2,158,141)	(2,254,072)	(2,305,158)	(2,427,798)
Income tax paid		(1,127,227)	(986,804)	(998,462)	(910,634)
Employee benefits paid		(2,778)	(2,165)	(2,650)	(2,028)
Net cash used in operating activities		<u>(2,578,695)</u>	<u>(2,289,213)</u>	<u>(734,566)</u>	<u>(1,174,840)</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED FEBRUARY 29, 2020

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for fixed deposits at banks under obligations		(14)	(12,631)	-	-
Cash paid for long-term loan to a related company		-	-	(120,606)	-
Cash paid for investment in a subsidiary		-	-	(178,634)	-
Proceeds from sale of investment in a related company		460	-	460	-
Cash paid for purchase of leasehold improvement and equipment	4.2	(302,132)	(455,881)	(219,310)	(445,607)
Proceeds from sale of leasehold improvement and equipment		1,108	328	604	260
Cash paid for purchase of intangible assets	4.2	(345,267)	(194,713)	(291,431)	(178,215)
Proceeds from sale of intangible assets		31	-	-	-
Net cash used in investing activities		<u>(645,814)</u>	<u>(662,897)</u>	<u>(808,917)</u>	<u>(623,562)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from bank overdrafts and short-term borrowings from financial institutions	4.4	111,745,474	75,902,324	93,143,937	73,690,121
Cash repayments for bank overdrafts and short-term borrowings from financial institutions	4.4	(111,466,769)	(72,651,633)	(94,434,044)	(71,819,958)
Cash paid for liabilities under finance lease agreements	4.4	(924)	(9,973)	-	-
Proceeds from long-term borrowings	4.4	10,373,864	12,889,520	9,659,825	12,889,520
Cash repayments for long-term borrowings	4.4	(6,484,366)	(13,727,072)	(6,391,230)	(13,727,072)
Proceeds from long-term borrowings under securitization project	4.4	-	-	933,373	1,052,373
Cash repayments for long-term borrowings under securitization project	4.4	-	-	(798,373)	(806,947)
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	(2,971,860)	(1,687,850)	(2,971,860)	(1,687,850)
Proceeds from subordinated borrowings	4.4	-	12,917	-	-
Proceeds from sales of written-off receivables		412,585	123,055	471,698	123,055
Proceeds from ordinary shares issued of a subsidiary		-	235,547	-	-
Cash paid for dividend		(627,664)	(607,795)	(587,497)	(562,498)
Cash paid for interim dividend		(612,498)	(587,497)	(612,498)	(587,497)
Net cash provided by financing activities		<u>4,167,842</u>	<u>2,924,055</u>	<u>2,213,331</u>	<u>1,363,247</u>
Net increase (decrease) in cash and cash equivalents		943,333	(28,055)	669,848	(435,155)
Exchange differences on translating foreign currencies		(17,828)	6,305	-	-
Cash and cash equivalents at the beginning of the year		4,068,052	4,089,802	2,792,584	3,227,739
Cash and cash equivalents at the end of the year	4.1	<u><u>4,993,557</u></u>	<u><u>4,068,052</u></u>	<u><u>3,462,432</u></u>	<u><u>2,792,584</u></u>

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

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED FEBRUARY 29, 2020**

1. OPERATIONS OF THE COMPANY

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

As at February 29, 2020 and February 28, 2019, the Company has head office and branches totaling 105 locations and 104 locations, respectively.

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 2.4, Note 9.1 and Note 9.2.

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

- 2.1 The Group and the Company maintain its accounting records in Thai Baht and prepare their statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Group's and the Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2018) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2019 onwards, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding "The Preparation and Submission of Financial Statements and Reports for the Financial Position and Results of Operations of the Listed Companies B.E. 2560" and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No. 2) B.E. 2559" dated October 11, 2016.
- 2.3 The consolidated financial statements for the years ended February 29, 2020 and February 28, 2019 included the accounts of the Company and its subsidiaries and interest in equity-accounted in an associate. Significant transactions and balances between the Company and its subsidiaries have been eliminated.

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

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

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

2.3.2 An associate is an entity in which the Company has significant influence, but no control or joint control, over the financial and operating policies.

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

2.4 For the years ended February 29, 2020 and February 28, 2019, the subsidiaries included in the consolidated financial statements are as follows:

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings (%)	
				2020	2019
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".

For the years ended February 29, 2020 and February 28, 2019, the consolidated financial statements include equity interest in an associate as follows:

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings (%)	
				2020	2019
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 associate are adjusted to be the same as those of the Company.

- 2.5 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 years ended	
	February 29, 2020	February 28, 2019
Subsidiaries		
ACS Servicing (Thailand) Company Limited	December 31, 2019	December 31, 2018
AEON Insurance Service (Thailand) Company Limited	December 31, 2019	December 31, 2018
AEON Specialized Bank (Cambodia) Plc.	December 31, 2019	December 31, 2018
AEON Microfinance (Myanmar) Company Limited	December 31, 2019	December 31, 2018
AEON Leasing Service (Lao) Company Limited	December 31, 2019	December 31, 2018
Associate		
ACS Trading Vietnam Company Limited	December 31, 2019	December 31, 2018

- 2.6 Thai Financial Reporting Standards affecting the presentation and disclosure in the current year financial statements

During the year, 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 fiscal years 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 material impact on the Group's and the Company's financial statements.

2.7 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, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. 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 Group's and the Company's management will adopt such TFRSs in the preparation of the Group's and the Company's financial statements when it becomes effective. The Group's and the Company's management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any material impact on the financial statements of the Group and the Company in the period of initial application, except the financial reporting standards 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

These group of Standards make 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 its effective date.

The Group's and the Company's management are in the process to assess the impact of these Financial Instruments Standards on the financial statements of the Group and the Company in the period of initial application.

Thai Financial Reporting Standards No. 16 “Leases”

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.

The Group’s and the Company’s management are in the process to assess the impact of this TFRS on the financial statements of the Group and the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Trade receivables

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

Trade receivables of insurance broker business are stated at total amount of premium to be collected from customers for forwarding to insurance companies including the portion of the Company’s commission.

3.3 Allowance for doubtful accounts and bad debts

The Company calculated allowance for doubtful accounts on trade receivables based on a collective approach by classifying a group of loans having similar credit risk characteristics and using the historical loss experience including considering macroeconomic factors which might have an effect on the ability to repay the debt of the loan groups, for estimation of allowance for doubtful accounts of each loan group. The Company's allowance for doubtful accounts shall not be less than allowance for doubtful accounts fully provided for all receivables over 3 installments contractually past due in order to comply with the notification of the Office of the Securities and Exchange Commission (the "SEC").

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

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

3.4 Troubled debt restructuring

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

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

3.5 Securitization transactions

Securitization Project which was approved by the SEC on October 2, 2015

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

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

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

3.6 Investments

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

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

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

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

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

3.7 Leasehold improvement and equipment

Leasehold improvement and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

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

3.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization and allowance for impairment (if any).

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

3.9 Assets and liabilities in foreign currencies

3.9.1 Functional currency and presentation currency

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

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

3.9.2 Translation of foreign currency transaction

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

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

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

3.9.3 Translation of financial statements of foreign operations

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

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

Gains (losses) on translation of financial statements of foreign operations are shown as other components of equity under shareholders' equity.

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

3.10 Financial instruments

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

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

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

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

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

3.11 Lease agreements

Finance lease agreements

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

Operating lease agreements

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

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

3.12 Recognition of revenues and expenses

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

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

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

Collection service income is recognized on an accrual basis when service has been provided or upon satisfaction of performance obligations.

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

Other income and expenses are recognized on an accrual basis.

3.13 Employee Benefits

3.13.1 Provident Fund

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

3.13.2 Post-employment benefits

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

Gains or losses on remeasurements of defined benefit plans are recognized in the statement of profit or loss and other comprehensive income.

3.14 Deferred revenue from customer loyalty programs

Customer loyalty programs are to grant the points whereby customers are awarded credits (Points) entitling customers to the rights to redeem within a determined period under the condition of customer loyalty programs. Obligations from granting the points to purchase products or get free service in the future are recognized and measured at the fair value of consideration received or receivable which is derived from points expected to redeemed, multiplied by the estimated fair value per point, referring to the fair value of the rewards. Such obligations are allocated from consideration received or receivable and recorded through "Deferred revenue from customer loyalty programs" in the statement of financial position under "Other payables" and recognized in the statement of profit or loss as "Credit card income" when the points are redeemed by customers.

3.15 Income tax expense

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

3.15.1 Current tax

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

3.15.2 Deferred tax

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

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

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

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

3.16 Basic earnings per share

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

3.17 Fair value measurements

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

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

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

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

3.18 Use of management's judgments and key sources of estimation uncertainty

3.18.1 Use of management's judgments in applying accounting policies

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Group's and the Company's management to exercise various judgments in applying accounting policies that can significantly affect the recognition and disclosures in the financial statements. Significant judgments in applying accounting policies are as follows:

(1) Allowance for doubtful accounts

The Company determines allowance for doubtful accounts on trade receivables based on a collective approach which requires the management to exercise judgments in classifying a group of loans having similar credit risk characteristics and using the historical loss experience including considering macroeconomic factors which might have an effect on the ability to repay the debt of the loan groups, for estimation of allowance for doubtful accounts of each loan group.

(2) Deferred revenue from customer loyalty programs

The deferred revenue from customer loyalty programs granted to the Company's customers is calculated based on the estimates of redemption rate of the reward points earned by the customers and fair value of reward prices, and is presented in the statement of financial position under "Other payables".

(3) Provisions for employee benefits

The present value of the provisions for employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such provisions.

The Group and the Company determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the provisions for employee benefits. In determining the appropriate discount rate, the Group and the Company consider the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related provisions. Additional information is disclosed in Note 22.

Past service cost related to plan amendment is recognized as an expense in the statement of profit or loss when the plan amendment is occurred. The management of the Group and the Company judgmentally consider that an obligation arises only when the legislation is virtually certain to be enacted.

3.18.2 Key sources of estimation uncertainty

The Group and the Company have estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value measurements and valuation processes

In estimating the fair value of an asset or liability, the Group and the Company use market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group and Company engage third party qualified valuers to perform the valuation.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35.5.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at February 29, 2020 and February 28, 2019, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	As at	As at	As at	As at
	February 29,	February 28,	February 29,	February 28,
	2020	2019	2020	2019
	Baht '000	Baht '000	Baht '000	Baht '000
Cash	1,313,506	1,231,759	1,273,999	1,210,669
Deposits at bank - call deposits	3,680,051	2,836,293	2,188,433	1,581,915
Cash and cash equivalents	<u>4,993,557</u>	<u>4,068,052</u>	<u>3,462,432</u>	<u>2,792,584</u>

- 4.2 Cash paid for purchase of leasehold improvement and equipment and intangible assets for the years ended February 29, 2020 and February 28, 2019, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 29,	February 28,	February 29,	February 28,
	2020	2019	2020	2019
	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	316,634	456,411	231,151	477,364
	<u>345,564</u>	<u>484,811</u>	<u>259,824</u>	<u>502,596</u>
<u>Less</u> Liabilities relating to transferred employees (see Note 22)	-	-	-	(28,316)
<u>Less</u> Cash paid for purchase of leasehold improvement and equipment	<u>(302,132)</u>	<u>(455,881)</u>	<u>(219,310)</u>	<u>(445,607)</u>
Liabilities recorded - carried forward	<u>43,432</u>	<u>28,930</u>	<u>40,514</u>	<u>28,673</u>
Intangible assets				
Liabilities recorded - brought forward	28,891	11,017	28,890	11,017
Purchase of intangible assets	317,948	212,587	264,112	196,088
	346,839	223,604	293,002	207,105
<u>Less</u> Cash paid for purchase of intangible assets	<u>(345,267)</u>	<u>(194,713)</u>	<u>(291,431)</u>	<u>(178,215)</u>
Liabilities recorded - carried forward	<u>1,572</u>	<u>28,891</u>	<u>1,571</u>	<u>28,890</u>

- 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 year ended February 29, 2020, such sale was settled by increasing the Seller loan Account of Baht 35.15 million, and during the year ended February 28, 2019 by increasing the Subordinated lendings Account and the Seller loan Account of Baht 12.92 million and Baht 160.83 million, respectively, instead of cash receipt.

4.4 Changes in liabilities arising from financing activities for the years ended February 29, 2020 and February 28, 2019 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					Ending balance as at February 29, 2020 Baht '000		
	Beginning balance as at March 1, 2019 Baht '000	Financing cash flows		Non-cash changes				
		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	111,745,474	(111,466,769)	(167,675)		-	7,211,233
	Liabilities under finance lease agreements	911	-	(924)	-		13	-
Long-term borrowings	40,618,864	10,373,864	(6,484,366)	731,919	19,330	45,259,611		
Long-term debentures	15,938,620	3,800,000	(2,971,860)	7,888	13,318	16,787,966		
Subordinated borrowings	84,074	-	-	-	-	84,074		

	CONSOLIDATED FINANCIAL STATEMENTS					Ending balance as at February 28, 2019 Baht '000		
	Beginning balance as at March 1, 2018 Baht '000	Financing cash flows		Non-cash changes				
		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	75,902,324	(72,651,633)	(102,887)		-	7,100,203
	Liabilities under finance lease agreements	10,884	-	(9,973)	-		-	911
Long-term borrowings	40,788,123	12,889,520	(13,727,072)	654,269	14,024	40,618,864		
Long-term debentures	14,593,173	3,032,512	(1,687,850)	(19,705)	20,490	15,938,620		
Subordinated borrowings	71,157	12,917	-	-	-	84,074		

	SEPARATE FINANCIAL STATEMENTS					Ending balance as at February 29, 2020 Baht '000		
	Beginning balance as at March 1, 2019 Baht '000	Financing cash flows		Non-cash changes				
		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	4,690,163	93,143,937	(94,434,044)	-		-	3,400,056
	Long-term borrowings	39,999,182	9,659,825	(6,391,230)	789,584		19,330	44,076,691
Long-term borrowings under securitization project	1,652,515	933,373	(798,373)	-	(124,963)	1,662,552		
Long-term debentures	14,465,538	3,800,000	(2,971,860)	7,888	13,318	15,314,884		

	SEPARATE FINANCIAL STATEMENTS					Ending balance as at February 28, 2019 Baht '000
	Beginning balance as at March 1, 2018 Baht '000	Financing cash flows		Non-cash changes		
	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	2,820,000	73,690,121	(71,819,958)	-	-	4,690,163
Long-term borrowings	40,164,026	12,889,520	(13,727,072)	658,684	14,024	39,999,182
Long-term borrowings under securitization project	1,366,167	1,052,373	(806,947)	-	40,922	1,652,515
Long-term debentures	13,352,603	2,800,000	(1,687,850)	(19,705)	20,490	14,465,538

5. TRADE RECEIVABLES

5.1 Trade receivables as at February 29, 2020 and February 28, 2019, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 29, 2020 Baht '000	As at February 28, 2019 Baht '000	As at February 29, 2020 Baht '000	As at February 28, 2019 Baht '000
Trade receivables	88,568,952	80,859,809	82,553,942	77,052,776
Trade receivables under securitization project				
- ATS Rabbit Special Purpose Vehicle Company Limited	1,662,552	1,652,515	1,662,552	1,652,515
Total	90,231,504	82,512,324	84,216,494	78,705,291
Less Allowance for doubtful accounts	(3,961,700)	(2,879,968)	(3,824,720)	(2,806,641)
Total trade receivables	86,269,804	79,632,356	80,391,774	75,898,650
Trade receivables due within 1 year	81,307,074	77,800,975	78,306,046	75,412,204
Trade receivables due after 1 year	4,962,730	1,831,381	2,085,728	486,446
Total trade receivables	86,269,804	79,632,356	80,391,774	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 February 29, 2020 and February 28, 2019, details of trade receivables are as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
	As at February 29, 2020			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	1,527,316	4,546,011	6,073,327	913,412	1,392,049	2,305,461
<u>Less</u> Unearned financing income	<u>(315,130)</u>	<u>(572,138)</u>	<u>(887,268)</u>	<u>(74,191)</u>	<u>(112,917)</u>	<u>(187,108)</u>
	1,212,186	3,973,873	5,186,059	839,221	1,279,132	2,118,353
<u>Less</u> Allowance for doubtful accounts	<u>(196,086)</u>	<u>-</u>	<u>(196,086)</u>	<u>(54,309)</u>	<u>-</u>	<u>(54,309)</u>
Hire-purchase and accrued interest receivable - net	<u>1,016,100</u>	<u>3,973,873</u>	<u>4,989,973</u>	<u>784,912</u>	<u>1,279,132</u>	<u>2,064,044</u>
Loans receivable						
Loans and accrued interest receivable	46,998,764	988,857	47,987,621	43,037,869	552,249	43,590,118
<u>Less</u> Allowance for doubtful accounts	<u>(2,343,755)</u>	<u>-</u>	<u>(2,343,755)</u>	<u>(1,728,606)</u>	<u>-</u>	<u>(1,728,606)</u>
Loans and accrued interest receivable - net	<u>44,655,009</u>	<u>988,857</u>	<u>45,643,866</u>	<u>41,309,263</u>	<u>552,249</u>	<u>41,861,512</u>
Credit card receivable						
Credit card and accrued interest receivable	36,892,388	-	36,892,388	36,623,244	-	36,623,244
<u>Less</u> Allowance for doubtful accounts	<u>(1,421,531)</u>	<u>-</u>	<u>(1,421,531)</u>	<u>(1,096,147)</u>	<u>-</u>	<u>(1,096,147)</u>
Credit card and accrued interest receivable - net	<u>35,470,857</u>	<u>-</u>	<u>35,470,857</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	11,786	-	11,786	11,360	-	11,360
<u>Less</u> Allowance for doubtful accounts	<u>(328)</u>	<u>-</u>	<u>(328)</u>	<u>(906)</u>	<u>-</u>	<u>(906)</u>
Receivable from rendering the collection service - net	<u>11,458</u>	<u>-</u>	<u>11,458</u>	<u>10,454</u>	<u>-</u>	<u>10,454</u>
Receivable from insurance broker business						
	153,650	-	153,650	169,249	-	169,249
Total trade receivables	<u>81,307,074</u>	<u>4,962,730</u>	<u>86,269,804</u>	<u>77,800,975</u>	<u>1,831,381</u>	<u>79,632,356</u>

SEPARATE FINANCIAL STATEMENTS

	As at February 29, 2020			As at February 28, 2019		
	Due within	Due after	Total	Due within	Due after	Total
	1 year	1 year		1 year	1 year	
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Hire-purchase receivable						
Hire-purchase and accrued interest receivable	822,445	2,657,434	3,479,879	251,154	570,270	821,424
<u>Less</u> Unearned financing income	<u>(315,130)</u>	<u>(572,138)</u>	<u>(887,268)</u>	<u>(74,191)</u>	<u>(112,917)</u>	<u>(187,108)</u>
	507,315	2,085,296	2,592,611	176,963	457,353	634,316
<u>Less</u> Allowance for doubtful accounts	<u>(127,587)</u>	<u>-</u>	<u>(127,587)</u>	<u>(21,491)</u>	<u>-</u>	<u>(21,491)</u>
Hire-purchase and accrued interest receivable - net	<u>379,728</u>	<u>2,085,296</u>	<u>2,465,024</u>	<u>155,472</u>	<u>457,353</u>	<u>612,825</u>
Loans receivable						
Loans and accrued interest receivable	45,289,937	432	45,290,369	41,788,870	29,093	41,817,963
<u>Less</u> Allowance for doubtful accounts	<u>(2,289,386)</u>	<u>-</u>	<u>(2,289,386)</u>	<u>(1,696,792)</u>	<u>-</u>	<u>(1,696,792)</u>
Loans and accrued interest receivable - net	<u>43,000,551</u>	<u>432</u>	<u>43,000,983</u>	<u>40,092,078</u>	<u>29,093</u>	<u>40,121,171</u>
Credit card receivable						
Credit card and accrued interest receivable	36,333,514	-	36,333,514	36,253,012	-	36,253,012
<u>Less</u> Allowance for doubtful accounts	<u>(1,407,747)</u>	<u>-</u>	<u>(1,407,747)</u>	<u>(1,088,358)</u>	<u>-</u>	<u>(1,088,358)</u>
Credit card and accrued interest receivable - net	<u>34,925,767</u>	<u>-</u>	<u>34,925,767</u>	<u>35,164,654</u>	<u>-</u>	<u>35,164,654</u>
Total trade receivables	<u>78,306,046</u>	<u>2,085,728</u>	<u>80,391,774</u>	<u>75,412,204</u>	<u>486,446</u>	<u>75,898,650</u>

5.2 Quality of assets

Trade receivables as at February 29, 2020 and February 28, 2019, classified by aging, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Less than 3 months	86,915,769	80,229,545	81,017,602	76,487,508
3 months up	3,315,735	2,282,779	3,198,892	2,217,783
Total	90,231,504	82,512,324	84,216,494	78,705,291
<u>Less</u> Allowance for doubtful accounts	<u>(3,961,700)</u>	<u>(2,879,968)</u>	<u>(3,824,720)</u>	<u>(2,806,641)</u>
Total trade receivables	<u>86,269,804</u>	<u>79,632,356</u>	<u>80,391,774</u>	<u>75,898,650</u>

5.3 Troubled debt restructuring

For the years ended February 29, 2020 and February 28, 2019, the Company had recognized interest income on restructured debts totaling Baht 152.41 million and Baht 206.27 million, respectively.

The Group and the Company had outstanding balances of credit card receivable, hire-purchase receivable and loans receivable as at February 29, 2020 and February 28, 2019, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at February 29, 2020		As at February 28, 2019	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured trade receivables	35,896	1,432,794	38,939	1,405,855
Non-restructured trade receivables	3,292,108	88,633,274	3,334,476	80,925,860
Total	3,328,004	90,066,068	3,373,415	82,331,715

	SEPARATE FINANCIAL STATEMENTS			
	As at February 29, 2020		As at February 28, 2019	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured trade receivables	35,873	1,429,317	38,904	1,398,483
Non-restructured trade receivables	2,885,335	82,787,177	3,027,374	77,306,808
Total	2,921,208	84,216,494	3,066,278	78,705,291

As at February 29, 2020 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 February 29, 2020 and February 28, 2019, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 29, 2020	As at February 28, 2019	As at February 29, 2020	As at February 28, 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	6,646,262	5,284,541	6,352,815	5,087,827
Gain on devaluation of long-term borrowings under securitization project	-	-	160,116	132,828
Written-off bad debts	(5,564,530)	(4,820,265)	(5,494,852)	(4,770,972)
Ending balance	3,961,700	2,879,968	3,824,720	2,806,641

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

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

The key financial information of Special Purpose Vehicle Company is summarized as follows:

	ATS Rabbit*	
	As at	As at
	February 29,	February 28,
	2020	2019
	Baht '000	Baht '000
Statements of financial position		
Total assets	1,974,821	1,933,420
Total liabilities	1,974,777	1,933,376
Total shareholders' equity	44	44
	For the years ended	
	February 29,	February 28,
	2020	2019
	Baht '000	Baht '000
Statements of profit or loss		
Total revenues	466,850	411,045
Bad debts and doubtful accounts	160,116	132,828
Other operating expenses	117,493	103,622
Interest expenses	84,476	80,334
Income tax expense	20,953	18,852
Net profit	83,812	75,409

* ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit) is the Company's subsidiary (see Notes 2.4 and 9.2).

For the years ended February 29, 2020 and February 28, 2019, transactions relating to the transfers of financial assets under the securitization projects are summarized as follows:

	For the years ended	
	February 29, 2020	February 28, 2019
	Million Baht	Million Baht
Transfers of future receivables and additional receivables (at book value)		
- Loans receivable (ATS Rabbit)	969	1,226
	<u>969</u>	<u>1,226</u>
Cash collection on behalf of Special Purpose Vehicles		
- Loans receivable (ATS Rabbit)	1,265	1,216
	<u>1,265</u>	<u>1,216</u>
Servicing income on cash collection from Special Purpose Vehicles		
- Loans receivable (ATS Rabbit)	93	81
	<u>93</u>	<u>81</u>

6. OTHER RECEIVABLES

Other receivables as at February 29, 2020 and February 28, 2019, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Other receivables - related companies (see Note 32.2.1)	2,231	3,861	83,623	107,912
Other receivables - other companies	641,719	434,998	615,233	365,878
Prepaid expenses	172,254	150,751	133,690	113,554
Advance payment	37,432	30,665	506	588
Accrued income	21,177	17,576	-	-
Refundable corporate income tax	67,231	51,486	-	-
Total	<u>942,044</u>	<u>689,337</u>	<u>833,052</u>	<u>587,932</u>

7. FIXED DEPOSITS AT BANKS UNDER OBLIGATIONS

As at February 29, 2020 and February 28, 2019, 4 subsidiaries have fixed deposits at banks under obligations as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at February 29, 2020 Baht '000	As at February 28, 2019 Baht '000
Pledge as collateral for bank's letters of guarantee issued for debt collection service	1,583	1,569
Reserve in accordance with insurance regulations	3,000	3,000
Legal reserve of the foreign subsidiaries	34,700	37,570
Total	<u>39,283</u>	<u>42,139</u>

8. LONG-TERM LOAN TO A RELATED PARTY

As at February 29, 2020, the Company has long-term loan to a subsidiary amounting to USD 4.0 million or equivalent to Baht 125.86 million which will be due in 2026. The loan is unsecured and has interest rate at 8.5% per annum (see Note 32.2.1) (As at February 28, 2019 : Nil).

9. 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:

9.1 Investment in an associate in the consolidated financial statements

As at February 29, 2020 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:

	Paid-up capital	Ownership %	CONSOLIDATED FINANCIAL STATEMENTS			
			As at February 29, 2020		As at February 28, 2019	
			Cost method Baht '000	Equity method Baht '000	Cost method Baht '000	Equity method Baht '000
Investment in an associate						
ACS Trading Vietnam Company Limited	VND 50,000 million	20.00	<u>16,819.3</u>	<u>25,430.9</u>	<u>16,819.3</u>	<u>38,095.9</u>
Total investment in an associate			<u>16,819.3</u>	<u>25,430.9</u>	<u>16,819.3</u>	<u>38,095.9</u>

The summarized financial information of an associate used for preparation of the consolidated financial statements are as follows:

ACS Trading Vietnam Company Limited

	As at February 29, 2020 Baht '000	As at February 28, 2019 Baht '000
Total assets	<u>1,763,267</u>	<u>1,796,521</u>
Total liabilities	<u>1,678,237</u>	<u>1,634,982</u>
	For the years ended	
	February 29, 2020 Baht '000	February 28, 2019 Baht '000
Total revenues	<u>553,628</u>	<u>683,985</u>
Net profit (loss)	<u>(63,325)</u>	<u>28,068</u>

The consolidated statements of profit or loss for the years ended February 29, 2020 and February 28, 2019, recognized share of profit (loss) from investment in an associate according to the proportion of the ownership interest in an associate as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	For the years ended	
	February 29, 2020 Baht '000	February 28, 2019 Baht '000
Share of profit (loss) from investment in an associate		
ACS Trading Vietnam Company Limited	<u>(12,665)</u>	<u>5,614</u>

Reconciliation of the above summarized financial information to the carrying amount of the interest in an associate recognized in the consolidated financial statements for the years ended February 29, 2020 and February 28, 2019, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	For the years ended	
	February 29, 2020	February 28, 2019
	Baht '000	Baht '000
Net assets of an associate	85,030	161,539
Proportion of the ownership interest in an associate (%)	20.00	20.00
	<u>17,006</u>	<u>32,308</u>
Goodwill	-	-
Other adjustments		
- Exchange differences on acquisition date	8,425	5,788
Carrying amount of the investment in an associate	<u>25,431</u>	<u>38,096</u>

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

As at February 29, 2020 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			
	As at February 29, 2020		As at February 28, 2019	
	Ownership %	Cost Baht '000	Ownership %	Cost Baht '000
Investment in an associate and subsidiaries				
Investment in an associate (see Note 32.1)				
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 32.1)				
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>

- (1) On February 26, 2018, the Shareholders' Meeting of AEON Specialized Bank (Cambodia) Plc., which is a subsidiary of the Company, had a resolution to approve the issuance of 7,500,000 new ordinary shares at USD 1 per share for business expansion responding to the minimum capital requirement by the National Bank of Cambodia ("NBC") to existing shareholders based on existing share proportion. However, the Board of Directors' Meeting of the Company had a resolution to waive the rights to purchase the increased shares of the subsidiary. Subsequently, on March 7, 2018, AEON Financial Service Co., Ltd., which is the Company's major shareholder and another shareholder of the subsidiary, paid for the capital injection to such subsidiary in the amount of USD 7.50 million. The subsidiary registered the increased share capital on April 24, 2018. After the completion of increased share capital registration, the proportion of the Company's shareholding in the subsidiary decreased from 80% to 50%. However, the Company has retained the power to control over the subsidiary in accordance with the requirement of TFRS No.10 (Revised 2017) "Consolidated Financial Statements".

In addition, the Shareholders' Meeting of the subsidiary had a resolution to approve the declaration of dividend payment for the fiscal year 2017 in the amount of USD 0.092 per share from total retained earnings as at December 31, 2017, to the shareholders based on shareholders' structure at that time (prior to the change in shareholders' structure). The dividend would be paid after getting approval from the NBC. Subsequently, on June 14, 2018, the subsidiary obtained an approval from the NBC on dividend payment totaling USD 1.15 million or equivalent to Baht 36.77 million, which was paid to the shareholders on June 29, 2018.

- (2) 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.

9.3 Long-term investments in related companies as at February 29, 2020 and February 28, 2019, consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at February 29, 2020		As at February 28, 2019	
	% of	Cost	% of	Cost
	Ownership	Baht '000	Ownership	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><u>19,072</u></u>		<u><u>20,072</u></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.

10. SELLER LOAN IN SPECIAL PURPOSE VEHICLE FOR SECURITIZATION

Seller loan in Special Purpose Vehicle for securitization as at February 29, 2020 and February 28, 2019, are as follows:

	SEPARATE FINANCIAL STATEMENTS	
	As at February 29, 2020	As at February 28, 2019
	Baht '000	Baht '000
Seller loan in Special Purpose Vehicle for securitization (see Note 32.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	<u>235,074</u>	<u>199,920</u>
Total Seller loan in Special Purpose Vehicle for securitization	<u><u>235,074</u></u>	<u><u>199,920</u></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 sale 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 determined level or the duration after the closing date reaches or exceed the determined level, or every 3-month period after the payment date as agreed in the agreement, whichever is earlier.

11. SUBORDINATED LENDINGS AND SUBORDINATED BORROWINGS

11.1 Subordinated lendings to Special Purpose Vehicle as at February 29, 2020 and February 28, 2019, are as follows:

	SEPARATE FINANCIAL STATEMENTS	
	As at February 29, 2020 Baht '000	As at February 28, 2019 Baht '000
Subordinated lendings (see Note 32.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATC Rabbit)	84,074	84,074
Total subordinated lendings	<u>84,074</u>	<u>84,074</u>

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 for the sales of rights in loans receivables.

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.

11.2 Subordinated borrowings of Special Purpose Vehicle as at February 29, 2020 and February 28, 2019, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at February 29, 2020 Baht '000	As at February 28, 2019 Baht '000
Subordinated borrowings		
ATS Rabbit Special Purpose Vehicle Company Limited (ATC Rabbit)	84,074	84,074
Total subordinated borrowings	<u>84,074</u>	<u>84,074</u>

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.

12. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at February 29, 2020 and February 28, 2019, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 29,	February 28,	February 29,	February 28,
	2020	2019	2020	2019
	Baht '000	Baht '000	Baht '000	Baht '000
Cost	4,019,359	3,826,638	3,276,104	3,126,972
<u>Less Accumulated depreciation</u>	<u>(3,133,864)</u>	<u>(2,869,809)</u>	<u>(2,551,059)</u>	<u>(2,323,753)</u>
Total leasehold improvement and equipment	885,495	956,829	725,045	803,219

The movements of leasehold improvement and equipment during the years are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	Beginning balance as at March 1, 2019	Additions	Disposals/ Write-off	Transfer in (out)	Exchange differences on translating financial statements	Ending balance as at February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost						
Leasehold improvement	1,151,311	44,838	(48,885)	28,213	(5,537)	1,169,940
Furniture and office equipment	2,605,802	176,405	(57,760)	128,594	(11,731)	2,841,310
Assets under installation	69,525	95,391	-	(156,807)	-	8,109
Total	3,826,638	316,634	(106,645)	-	(17,268)	4,019,359
Accumulated depreciation						
Leasehold improvement	(819,378)	(139,115)	42,966	-	2,838	(912,689)
Furniture and office equipment	(2,050,431)	(234,404)	56,908	-	6,752	(2,221,175)
Total	(2,869,809)	(373,519)	99,874	-	9,590	(3,133,864)
Total leasehold improvement and equipment	956,829					885,495

CONSOLIDATED FINANCIAL STATEMENTS						
	Beginning balance as at March 1, 2018 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000	Exchange differences on translating financial statements Baht '000	Ending balance as at February 28, 2019 Baht '000
Cost						
Leasehold improvement	1,118,522	52,170	(44,100)	27,421	(2,702)	1,151,311
Furniture and office equipment	2,352,885	255,850	(51,539)	53,756	(5,150)	2,605,802
Assets under installation	2,311	148,391	-	(81,177)	-	69,525
Total	3,473,718	456,411	(95,639)	-	(7,852)	3,826,638
Accumulated depreciation						
Leasehold improvement	(700,506)	(161,519)	41,301	-	1,346	(819,378)
Furniture and office equipment	(1,872,717)	(230,178)	50,134	-	2,330	(2,050,431)
Total	(2,573,223)	(391,697)	91,435	-	3,676	(2,869,809)
Total leasehold improvement and equipment	<u>900,495</u>					<u>956,829</u>

SEPARATE FINANCIAL STATEMENTS					
	Beginning balance as at March 1, 2019 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000	Ending balance as at February 29, 2020 Baht '000
Cost					
Leasehold improvement	946,694	11,354	(30,767)	28,213	955,494
Furniture and office equipment	2,110,754	124,406	(51,252)	128,594	2,312,502
Assets under installation	69,524	95,391	-	(156,807)	8,108
Total	3,126,972	231,151	(82,019)	-	3,276,104
Accumulated depreciation					
Leasehold improvement	(676,238)	(110,302)	25,364	-	(761,176)
Furniture and office equipment	(1,647,515)	(193,283)	50,915	-	(1,789,883)
Total	(2,323,753)	(303,585)	76,279	-	(2,551,059)
Total leasehold improvement and equipment	<u>803,219</u>				<u>725,045</u>

SEPARATE FINANCIAL STATEMENTS					
	Beginning balance as at March 1, 2018 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000	Ending balance as at February 28, 2019 Baht '000
Cost					
Leasehold improvement	898,020	61,958	(40,706)	27,422	946,694
Furniture and office equipment	1,824,988	267,015	(35,005)	53,756	2,110,754
Assets under installation	2,311	148,391	-	(81,178)	69,524
Total	2,725,319	477,364	(75,711)	-	3,126,972
Accumulated depreciation					
Leasehold improvement	(581,382)	(133,214)	38,358	-	(676,238)
Furniture and office equipment	(1,504,023)	(178,290)	34,798	-	(1,647,515)
Total	(2,085,405)	(311,504)	73,156	-	(2,323,753)
Total leasehold improvement and equipment	<u>639,914</u>				<u>803,219</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Depreciation	<u>373,519</u>	<u>391,697</u>	<u>303,585</u>	<u>311,504</u>

As at February 29, 2020 and February 28, 2019, costs of fully depreciated leasehold improvement and equipment still in use are as follows:

	As at February 29, 2020	As at February 28, 2019
	Baht '000	Baht '000
Consolidated financial statements	<u>2,154,179</u>	<u>1,753,369</u>
Separate financial statements	<u>1,923,894</u>	<u>1,604,085</u>

13. INTANGIBLE ASSETS

Intangible assets as at February 29, 2020 and February 28, 2019, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Cost	4,131,463	3,896,184	3,666,871	3,467,402
<u>Less</u> Accumulated amortization	(3,484,982)	(3,321,678)	(3,155,494)	(3,008,854)
Allowance for impairment	-	(44,913)	-	(44,913)
Total intangible assets	<u>646,481</u>	<u>529,593</u>	<u>511,377</u>	<u>413,635</u>

The movements of intangible assets during the years are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	Beginning balance as at March 1, 2019	Additions	Disposals/ Write-off	Transfer in (out)	Exchange differences on translating financial statements	Ending balance as at February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost						
Computer software	3,771,331	174,349	(6,211)	107,012	(11,782)	4,034,699
Computer software under installation	124,853	143,599	(64,674)	(107,012)	(2)	96,764
Total	3,896,184	317,948	(70,885)	-	(11,784)	4,131,463
Accumulated amortization						
Computer software	(3,321,678)	(175,051)	6,211	-	5,536	(3,484,982)
Allowance for impairment						
Computer software under installation	(44,913)	-	44,913	-	-	-
Total intangible assets	<u>529,593</u>					<u>646,481</u>
	CONSOLIDATED FINANCIAL STATEMENTS					
	Beginning balance as at March 1, 2018	Additions	Disposals/ Write-off	Transfer in (out)	Exchange differences on translating financial statements	Ending balance as at February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost						
Computer software	3,566,318	100,912	(261)	107,531	(3,169)	3,771,331
Computer software under installation	122,361	111,675	(1,651)	(107,531)	(1)	124,853
Total	3,688,679	212,587	(1,912)	-	(3,170)	3,896,184
Accumulated amortization						
Computer software	(3,161,175)	(161,961)	261	-	1,197	(3,321,678)
Allowance for impairment						
Computer software under installation	-	(44,913)	-	-	-	(44,913)
Total intangible assets	<u>527,504</u>					<u>529,593</u>

	SEPARATE FINANCIAL STATEMENTS				
	Beginning balance as at March 1, 2019 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000	Ending balance as at February 29, 2020 Baht '000
Cost					
Computer software	3,344,116	146,383	-	91,640	3,582,139
Computer software under installation	123,286	117,729	(64,643)	(91,640)	84,732
Total	3,467,402	264,112	(64,643)	-	3,666,871
Accumulated amortization					
Computer software	(3,008,854)	(146,640)	-	-	(3,155,494)
Allowance for Impairment					
Computer software under installation	(44,913)	-	44,913	-	-
Total intangible assets	<u>413,635</u>				<u>511,377</u>

	SEPARATE FINANCIAL STATEMENTS				
	Beginning balance as at March 1, 2018 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000	Ending balance as at February 28, 2019 Baht '000
Cost					
Computer software	3,150,685	87,662	-	105,769	3,344,116
Computer software under installation	122,280	108,426	(1,651)	(105,769)	123,286
Total	3,272,965	196,088	(1,651)	-	3,467,402
Accumulated amortization					
Computer software	(2,873,795)	(135,059)	-	-	(3,008,854)
Allowance for Impairment					
Computer software under installation	-	(44,913)	-	-	(44,913)
Total intangible assets	<u>399,170</u>				<u>413,635</u>

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended		SEPARATE FINANCIAL STATEMENTS For the years ended	
	February 29, 2020 Baht '000	February 28, 2019 Baht '000	February 29, 2020 Baht '000	February 28, 2019 Baht '000
Amortization	175,051	161,961	146,640	135,059

As at February 29, 2020 and February 28, 2019, costs of fully amortized computer software still in use are as follows:

	As at February 29, 2020 Baht '000	As at February 28, 2019 Baht '000
Consolidated financial statements	<u>3,036,742</u>	<u>2,866,434</u>
Separate financial statements	<u>2,821,384</u>	<u>2,680,579</u>

14. DEFERRED TAX ASSETS

Deferred tax assets as at February 29, 2020 and February 28, 2019, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 29,	February 28,	February 29,	February 28,
	2020	2019	2020	2019
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	775,917	567,388	764,944	561,328
Non-accrual of interest income	73,406	47,205	71,755	45,960
Allowance for impairment of investment and asset	6,900	19,012	6,900	19,012
Provisions for employee benefits	78,683	54,264	70,518	48,507
Deferred revenue from customer loyalty programs	59,373	48,870	59,373	44,351
Others	24,878	9,672	16,516	5,446
	<u>1,019,157</u>	<u>746,411</u>	<u>990,006</u>	<u>724,604</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	93,155	124,552	93,155	124,552
Others	-	209	-	-
	<u>93,155</u>	<u>124,761</u>	<u>93,155</u>	<u>124,552</u>
Deferred tax assets	<u>926,002</u>	<u>621,650</u>	<u>896,851</u>	<u>600,052</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	Beginning balance as at March 1, 2019 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Ending balance as at February 29, 2020 Baht '000
Deferred tax assets				
Allowance for doubtful accounts	567,388	208,529	-	775,917
Non-accrual of interest income	47,205	26,201	-	73,406
Allowance for impairment of investment and asset	19,012	(12,112)	-	6,900
Provisions for employee benefits	54,264	12,771	11,648	78,683
Deferred revenue from customer loyalty programs	48,870	10,503	-	59,373
Others	9,672	15,206	-	24,878
	<u>746,411</u>	<u>261,098</u>	<u>11,648</u>	<u>1,019,157</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	124,552	(31,397)	-	93,155
Others	209	(209)	-	-
	<u>124,761</u>	<u>(31,606)</u>	<u>-</u>	<u>93,155</u>
Deferred tax assets	<u>621,650</u>	<u>292,704</u>	<u>11,648</u>	<u>926,002</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Beginning balance as at March 1, 2018 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Ending balance as at February 28, 2019 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 asset	16,109	2,903	-	19,012
Provisions for employee benefits	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

	Beginning balance as at March 1, 2019 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Ending balance as at February 29, 2020 Baht '000
Deferred tax assets				
Allowance for doubtful accounts	561,328	203,616	-	764,944
Non-accrual of interest income	45,960	25,795	-	71,755
Allowance for impairment of investment and asset	19,012	(12,112)	-	6,900
Provisions for employee benefits	48,507	11,098	10,913	70,518
Deferred revenue from customer loyalty programs	44,351	15,022	-	59,373
Others	5,446	11,070	-	16,516
	<u>724,604</u>	<u>254,489</u>	<u>10,913</u>	<u>990,006</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	124,552	(31,397)	-	93,155
	<u>124,552</u>	<u>(31,397)</u>	<u>-</u>	<u>93,155</u>
Deferred tax assets	<u>600,052</u>	<u>285,886</u>	<u>10,913</u>	<u>896,851</u>

	SEPARATE FINANCIAL STATEMENTS			
	Beginning balance as at March 1, 2018 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Ending balance as at February 28, 2019 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 asset	16,109	2,903	-	19,012
Provisions for employee benefits	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>

15. OTHER NON-CURRENT ASSETS

Other non-current assets as at February 29, 2020 and February 28, 2019, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 29, 2020 Baht '000	As at February 28, 2019 Baht '000	As at February 29, 2020 Baht '000	As at February 28, 2019 Baht '000
Deposits	<u>211,673</u>	<u>206,448</u>	<u>181,773</u>	<u>180,220</u>
Total	<u>211,673</u>	<u>206,448</u>	<u>181,773</u>	<u>180,220</u>

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

Bank overdrafts and short-term borrowings from financial institutions as at February 29, 2020 and February 28, 2019, consist of the following:

CONSOLIDATED FINANCIAL STATEMENTS				
	As at February 29, 2020		As at February 28, 2019	
	Interest rate	Baht '000	Interest rate	Baht '000
	p.a. (%)		p.a. (%)	
Overdrafts in THB currency	1.45	56	1.95	640,163
Short-term borrowings in THB currency	1.17 - 2.40	3,400,000	1.85 - 2.30	4,050,000
Short-term borrowings in USD currency	2.52 - 6.05	2,229,481	3.24 - 3.78	1,141,518
Short-term borrowings in LAK currency	6.50 - 6.70	280,013	6.60 - 7.40	314,954
Short-term borrowings in MMK currency	11.70 - 12.50	1,301,683	11.70 - 12.50	953,568
Total		<u>7,211,233</u>		<u>7,100,203</u>

SEPARATE FINANCIAL STATEMENTS				
	As at February 29, 2020		As at February 28, 2019	
	Interest rate	Baht '000	Interest rate	Baht '000
	p.a. (%)		p.a. (%)	
Overdrafts in THB currency	1.45	56	1.95	640,163
Short-term borrowings in THB currency	1.17 - 2.40	3,400,000	1.85 - 2.30	4,050,000
Total		<u>3,400,056</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.

17. OTHER PAYABLES

Other payables as at February 29, 2020 and February 28, 2019, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Other payable - related companies (see Note 32.2.1)	73,967	169,271	277,431	221,192
Other payable - other companies	425,034	258,978	125,696	190,633
Deferred revenue from customer loyalty programs	300,500	224,208	296,863	221,756
Interest payable	501,135	483,674	495,559	478,403
Accrued expenses	389,732	365,867	373,358	368,071
Total	<u>1,690,368</u>	<u>1,501,998</u>	<u>1,568,907</u>	<u>1,480,055</u>

18. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

As at February 29, 2020 and February 28, 2019, a subsidiary of the Company has liabilities under finance lease agreements as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Minimum lease payment		Present value of minimum lease payment	
	As at	As at	As at	As at
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Within 1 year	-	925	-	911
<u>Less</u> Deferred interest	-	(14)	-	-
Total	-	911	-	911

Liabilities under finance lease agreements are liabilities arising from the leases of office equipment and copyrights for computer software. The contracts are for the period of 3 - 5 years, and the liabilities are repayable in monthly installments. At the end of the lease terms, the subsidiary has the rights to exercise a purchase option on the leased assets at the price as specified in the agreements. As at February 29, 2020, the installment payment has been completed.

19. LONG-TERM BORROWINGS

As at February 29, 2020 and February 28, 2019, the Company entered into various long-term borrowings agreements in THB and foreign currencies as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at February 29, 2020			
	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	8,729,499
Borrowings in USD currency	2020 - 2025	2.03 - 3.69	667.49	21,156,598
Borrowings in THB currency	2020 - 2024	2.41 - 3.41	15,400.00	15,400,000
<u>Less</u> Borrowings issuance cost				(26,486)
				45,259,611
<u>Less</u> Current portion of long-term borrowings				(11,445,597)
Total long-term borrowings				33,814,014

	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				34,546,943

SEPARATE FINANCIAL STATEMENTS				
As at February 29, 2020				
	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	8,729,499
Borrowings in USD currency	2020 - 2025	2.03 - 3.38	628.49	19,973,678
Borrowings in THB currency	2020 - 2024	2.41 - 3.41	15,400.00	15,400,000
<u>Less</u> Borrowings issuance cost				<u>(26,486)</u>
				44,076,691
<u>Less</u> Current portion of long-term borrowings				<u>(10,960,296)</u>
Total long-term borrowings				<u><u>33,116,395</u></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				<u>(45,816)</u>
				39,999,182
<u>Less</u> Current portion of long-term borrowings				<u>(5,974,076)</u>
Total long-term borrowings				<u><u>34,025,106</u></u>

In the consolidated and separate financial statements as at February 29, 2020, 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 732.93 million with interest rate at 4.84% per annum which are unsecured and will be due in the year 2021 (see Note 32.2.1) (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				
As at February 29, 2020				
	Notional amount Baht '000	Carrying amount		
		Within 1 year Baht '000	1 - 5 years Baht '000	Total Baht '000
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	5,197,000	151,056	64,814	215,870
USD currency	4,876,045	-	145,258	145,258
	<u>10,073,045</u>	<u>151,056</u>	<u>210,072</u>	<u>361,128</u>
Payables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	3,535,000	(64,479)	(153,892)	(218,371)
USD currency	15,628,150	(135,408)	(540,367)	(675,775)
	<u>19,163,150</u>	<u>(199,887)</u>	<u>(694,259)</u>	<u>(894,146)</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	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>

20. LONG-TERM BORROWINGS UNDER SECURITIZATION PROJECT

As at February 29, 2020 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 (see Note 5.5) as long-term borrowings under securitization project in the separate financial statements in the amount of Baht 1,662.55 million and Baht 1,652.52 million, respectively.

21. LONG-TERM DEBENTURES

Long-term debentures represent unsubordinated and unsecured debentures as at February 29, 2020 and February 28, 2019, are as follows:

Issue date	Maturity date	No. of units	Currency	Par value per unit	Amount	Interest rate p.a. (%)	Term of interest payment	As at February 29, 2020 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	2,224,628	2,214,912
28/03/2016	27/03/2020	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.50	Semi-annual	476,706	474,624
22/08/2016	20/08/2021	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.85	Semi-annual	476,706	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
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	953,412	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	-
								15,331,452	14,495,424
<u>Less</u> Debentures issuance cost								(16,568)	(29,886)
								15,314,884	14,465,538
<u>Less</u> Current portion of long-term debentures								(7,298,784)	(2,980,813)
Total long-term debentures in separate financial statements								8,016,100	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								9,489,182	12,957,807

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

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

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

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

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

On February 23, 2016, the Company issued and offered debentures amounting to Baht 200 million to a non-financial market mutual fund in Thailand with interest rate of 2.87% per annum, payable on a semi-annual basis, and were due on February 21, 2019.

On March 25, 2016, the Company issued and offered debentures amounting to USD 70 million to a bank in Japan with interest rate of USD - LIBOR 6 months plus 0.65% per annum, payable on a semi-annual basis, and were due on March 25, 2020. Such debentures are guaranteed by the same bank.

On March 28, 2016, the Company issued and offered debentures amounting to USD 15 million to a bank in Japan with interest rate of USD - LIBOR 6 months plus 0.50% per annum, payable on a semi-annual basis, and will be due on March 27, 2020. Such debentures are guaranteed by the same bank.

- (3) On June 17, 2016, the Company's Annual General Meeting of shareholders of 2016 had the resolution for the issuance and offering of debentures. An issuing amount of the debentures is not to exceed Baht 8,000 million. The currency, tenor, interest rate and other conditions will be considered and approved by the Board of Directors' Meeting later when the Company is ready for the issuance and offering of debentures.

On August 22, 2016, the Company issued and offered debentures amounting to USD 15 million to a bank in Japan with interest rate of USD - LIBOR 6 months plus 0.85% per annum, payable on a semi-annual basis, and will be due on August 20, 2021. Such debentures are guaranteed by the same bank.

On August 24, 2016, the Company issued and offered debentures amounting to Baht 400 million to a non-financial market mutual fund institution investors in Thailand with interest rate of 2.50% per annum, payable on a quarterly basis, and were due on July 30, 2019.

On December 21, 2016, the Company issued and offered debentures amounting to Baht 1,000 million to a financial institution and high net worth investors in Thailand with interest rate of 2.73% per annum, payable on a quarterly basis, and were due on December 21, 2019.

On December 21, 2016, the Company issued and offered debentures amounting to Baht 1,000 million to public investors in Thailand with interest rate of 3.48% per annum, payable on a quarterly basis, and will be due on December 21, 2021.

On December 30, 2016, the Company issued and offered debentures amounting to USD 30 million to a bank in Japan with interest rate of USD - LIBOR 6 months plus 0.65% per annum, payable on a semi-annual basis, and will be due on December 30, 2021. Such debentures are guaranteed by the same bank.

On August 18, 2017, the Company issued and offered debentures amounting to Baht 200 million to a mutual fund and a pension fund in Thailand with interest rate of 2.50% per annum, payable on a quarterly basis, and will be due on August 18, 2020.

On September 14, 2017, the Company issued and offered debentures amounting to Baht 300 million to a mutual fund and a pension fund in Thailand with interest rate of 2.50% per annum, payable on a semi-annual basis, and will be due on September 14, 2020.

On September 21, 2017, the Company issued and offered debentures amounting to Baht 100 million to a mutual fund in Thailand with interest rate of 2.50% per annum, payable on a semi-annual basis, and will be due on September 21, 2020.

On December 15, 2017, the Company issued and offered debentures amounting to Baht 2,000 million to institutional and high net worth investors in Thailand with interest rate of 2.37% per annum, payable on a semi-annual basis, and will be due on December 15, 2020.

On December 15, 2017, the Company issued and offered debentures amounting to Baht 1,000 million to institutional and high net worth investors in Thailand with interest rate of 2.93% per annum, payable on a semi-annual basis, and will be due on December 15, 2022.

- (4) On June 22, 2018, the Company's Annual General Meeting of shareholders of 2018 had the resolution for the issuance and offering of debentures. An issuing amount of the debentures is not to exceed Baht 10,000 million. The currency, tenor, interest rate and other conditions will be considered and approved by the Board of Directors' Meeting later when the Company is ready for the issuance and offering of debentures.

On November 15, 2018, the Company issued and offered debentures amounting to Baht 2,000 million to institutional and high net worth investors in Thailand with interest rate of 2.96% per annum, payable on a semi-annual basis, and will be due on November 15, 2020.

On November 15, 2018, the Company issued and offered debentures amounting to Baht 800 million to institutional and high net worth investors in Thailand with interest rate of 3.26% per annum, payable on a semi-annual basis, and will be due on November 15, 2021.

On November 15, 2019, the Company issued and offered debentures amounting to Baht 2,800 million to institutional and high net worth investors in Thailand with interest rate of 2.27% per annum, payable on a semi-annual basis, and will be due on November 15, 2022.

On November 15, 2019, the Company issued and offered debentures amounting to Baht 1,000 million to institutional and high net worth investors in Thailand with interest rate of 2.57% per annum, payable on a semi-annual basis, and will be due on November 15, 2024.

- (5) A subsidiary has offered the debentures to no more than 10 specific investors during any 4-month period which such offering was approved by the SEC on October 2, 2015.

During the years ended February 29, 2020 and February 28, 2019, the subsidiary issued and offered the long-term refinanced debentures which are unsubordinated and unsecured of Baht 1,473.08 million and Baht 1,473.08 million, respectively, for partial settlement of the transfer of rights in future receivables and additional receivables in accordance with conditions in the agreements.

Such debentures are assets-backed debentures under the Securitization Law with fixed interest rate at 4% per annum for the 3-year period after the first issuance date, and thereafter with a fixed interest rate equal to the corporate bond yield per annum as prescribed in the conditions.

Cash flows from a pool of loans receivable will be used to make payments for the debentures. Interest on the debentures will be payable monthly throughout their lives commencing on December 18, 2015.

Such debentures will be initially redeemed in 2023 and matured on October 28, 2025 with conditions to redeem before the maturity.

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			
As at February 29, 2020			
Notional amount	Carrying amount		
Baht '000	Within 1 year	1 - 5 years	Total
Baht '000	Baht '000	Baht '000	Baht '000
Payables per currency swap contracts			
Cross Currency Swap Contracts			
USD currency	4,630,900	(326,366)	(173,082)
	<u>4,630,900</u>	<u>(326,366)</u>	<u>(173,082)</u>
	<u>4,630,900</u>	<u>(326,366)</u>	<u>(499,448)</u>

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	Notional amount Baht '000	Carrying amount		Total Baht '000
		Within 1 year Baht '000	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>

22. PROVISIONS FOR EMPLOYEE BENEFITS

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

For the years ended February 29, 2020 and February 28, 2019, amounts recognized in the statements of profit or loss in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Past service cost				
- For employees transferred from a subsidiary	-	9,140	-	9,140
- From plan amendment	-	62,960	-	56,630
- From loss on settlement of benefit paid	7	-	-	-
Current service cost	57,432	36,802	49,495	31,753
Interest cost	7,872	4,702	7,322	4,165
Loss on settlement	1,324	374	1,324	374
Total	<u>66,635</u>	<u>113,978</u>	<u>58,141</u>	<u>102,062</u>

For the years ended February 29, 2020 and February 28, 2019, amounts recognized in other comprehensive income in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
(Gain) loss on remeasurements of defined benefit plans				
- From financial assumptions changes	26,429	(3,790)	22,666	(3,510)
- From demographic assumptions changes	28,085	11,085	28,616	11,179
- From experience adjustments	3,727	283	3,287	1,322
Total	<u>58,241</u>	<u>7,578</u>	<u>54,569</u>	<u>8,991</u>

Movements in the present value of the provisions for post-employment benefits for the years ended February 29, 2020 and February 28, 2019 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	271,321	151,930	242,534	105,193
Past service cost				
- For employees transferred from a subsidiary	-	9,140	-	9,140
- From plan amendment	-	62,960	-	56,630
- From loss on settlement of benefit paid	7	-	-	-
Current service cost	57,432	36,802	49,495	31,753
Interest cost	7,872	4,702	7,322	4,165
Loss on settlement	1,324	374	1,324	374
Loss on remeasurements of defined benefit plans	58,241	7,578	54,569	8,991
Benefits transferred	-	-	-	28,316
Benefits paid	(2,778)	(2,165)	(2,650)	(2,028)
Ending balance	393,419	271,321	352,594	242,534

The significant actuarial assumptions used to calculate the provisions under the defined benefit plans as at February 29, 2020 and February 28, 2019, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at February 29, 2020	As at February 28, 2019
	% per annum	% per annum
Financial assumptions		
Discount rate	1.47 - 1.80	2.72 - 3.01
Expected rate of salary increase	5.0	5.0 - 7.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 30.0	0.0 - 31.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 52.0	0.0 - 52.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees
Temporary staff	0.0 - 42.0	0.0 - 43.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees

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	As at February 29, 2020	As at February 28, 2019
	% per annum	% per annum
Financial assumptions		
Discount rate	1.69	3.01
Expected rate of salary increase	5.0	6.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 18.0	0.0 - 19.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staff		
	0.0 - 52.0	0.0 - 52.0
	Subject to range of age of employees	Subject to range of age of employees

Sensitivity analysis on significant actuarial assumptions represents impact of change in the significant actuarial assumptions on present value of the provisions for post-employment benefits as at February 29, 2020 and February 28, 2019, as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 29,	February 28,	February 29,	February 28,
	2020	2019	2020	2019
	Baht '000	Baht '000	Baht '000	Baht '000
Financial assumptions				
Discount rate				
- 1% increase	(57,051)	(38,675)	(51,992)	(35,204)
- 1% decrease	69,450	46,808	63,373	42,662
Expected rate of salary increase				
- 1% increase	61,737	41,918	56,371	38,173
- 1% decrease	(51,809)	(35,349)	(47,253)	(32,158)
Demographic assumptions				
Turnover rate				
- 1% increase	(60,470)	(41,663)	(55,016)	(37,877)
- 1% decrease	33,853	22,911	30,176	20,470

Maturity analysis of the benefit payments of the provisions for post-employment benefits, which are not discounted to present value, as at February 29, 2020 and February 28, 2019, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 29,	February 28,	February 29,	February 28,
	2020	2019	2020	2019
	Baht '000	Baht '000	Baht '000	Baht '000
Within 1 year	2,893	122	2,893	-
Over 1 to 5 years	33,920	15,179	23,690	12,434
Over 5 years	356,606	256,020	326,011	230,100
Total	393,419	271,321	352,594	242,534

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. The management of the Group and the Company judgmentally considered that the plan amendment has occurred and recognized past service cost as an expense when the National Legislative Assembly passed a resolution approving the draft of this Labor Protection Act. The Group and the Company have recorded the effect of such plan amendment and already recognized past service cost as an expense in the consolidated and separate statements of profit or loss for the year ended February 28, 2019 in the amount of Baht 62.96 million and Baht 56.63 million, respectively. Such Labor Protection Act has been announced in the Royal Gazette on April 5, 2019.

23. SHAREHOLDERS' EQUITY

- 23.1 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.
- 23.2 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.
- 23.3 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.

- 23.4 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.
- 23.5 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.

24. LEGAL RESERVE

Pursuant to the Public Limited Companies Act. B.E. 2535 (1992), the Company must allocate to a reserve fund from the annual net profit, not less than 5% of the annual net profit deducted by the total accumulated loss brought forward (if any), until the reserve fund reaches an amount of not less than 10% of the registered capital.

As at February 29, 2020 and February 28, 2019, the Company's legal reserve equals to 10% of the registered share capital.

25. CAPITAL MANAGEMENT

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

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

The Company has been granted the license to operate as a non-financial institution that provides personal loans from the Minister of Finance, of which the Company must have authorized share capital of at least Baht 50 million.

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

26. OTHER COMPONENTS OF SHAREHOLDERS' EQUITY

Other components of shareholders' equity as at February 29, 2020 and February 28, 2019, are as follows:

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at February 29, 2020 Baht '000	As at February 28, 2019 Baht '000
Exchange differences on translating financial statements of foreign operations		
Beginning balance	(123,078)	(89,941)
Decrease during the year	(54,717)	(33,137)
Ending balance	<u>(177,795)</u>	<u>(123,078)</u>

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

27. REVENUES RELATING TO SECURITIZATION TRANSACTION

For the years ended February 29, 2020 and February 28, 2019, the details of revenues from securitization transaction incurred from sales of loans receivable to ATS Rabbit Special Purpose Vehicle Company Limited are included in Loan Income for presentation as follows:

	SEPARATE	
	FINANCIAL STATEMENTS	
	For the years ended	
	February 29, 2020 Baht '000	February 28, 2019 Baht '000
Loan income (see Note 32.2.2)		
Interest income from subordinated lendings	10,117	9,361
Revenue from seller loan in Special Purpose Vehicle	24,055	10,826
Dividend from investment in Special Purpose Vehicle	41,906	37,705
Collection servicing income	92,719	81,112
Total	<u>168,797</u>	<u>139,004</u>

28. DIRECTORS AND MANagements' REMUNERATION

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

For the years ended February 29, 2020 and February 28, 2019, directors and managements' remuneration are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 29, 2020 Baht '000	February 28, 2019 Baht '000	February 29, 2020 Baht '000	February 28, 2019 Baht '000
Short-term employee benefits				
Directors' remuneration	38,343	35,954	24,244	24,993
Managements' remuneration	127,493	138,763	73,551	83,078
Post-employment benefits	6,070	7,770	3,721	7,095
Total	<u>171,906</u>	<u>182,487</u>	<u>101,516</u>	<u>115,166</u>

For the years ended February 29, 2020 and February 28, 2019, 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.

29. PROVIDENT FUND

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

For the years ended February 29, 2020 and February 28, 2019, the Company contributed to the provident fund and recorded as expenses, as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 29, 2020 Baht '000	February 28, 2019 Baht '000	February 29, 2020 Baht '000	February 28, 2019 Baht '000
Contributory provident fund	<u>60,085</u>	<u>51,297</u>	<u>51,215</u>	<u>41,940</u>

30. EXPENSES BY NATURE

Net profits for the years ended February 29, 2020 and February 28, 2019, have been derived after deducting the following significant expenses:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 29,	February 28,	February 29,	February 28,
	2020	2019	2020	2019
	Baht '000	Baht '000	Baht '000	Baht '000
Staff costs	3,037,922	2,892,092	2,195,486	2,159,308
Marketing expenses	1,831,226	1,690,400	1,773,777	1,602,215
Equipment expenses	649,360	631,440	526,837	560,698
Depreciation and amortization	548,570	553,658	450,225	446,563
Communication expenses	307,877	358,460	268,427	312,337
Premises' expenses	801,018	786,462	671,544	667,603
Outsource collection expenses	581,069	356,550	1,002,798	760,989
Special business tax and duty stamp	613,005	549,148	594,947	533,506
Printing material expenses	201,446	224,740	188,842	214,259
Transportation expenses	201,036	190,700	137,616	131,119
Fees and commissions	183,981	156,646	157,424	130,444
Other expenses	134,718	130,583	88,627	84,768
Directors and managements' remuneration	171,906	182,487	101,516	115,166
Bad debts and doubtful accounts	6,646,262	5,284,541	6,352,815	5,087,827
Loss on impairment of investment and assets	-	44,913	-	44,913
Loss on sale of investment	539	-	539	-
Loss on sale and write-off of leasehold improvement and equipment and intangible assets	25,393	5,528	24,866	3,946
Finance costs	2,209,172	2,174,724	2,354,969	2,358,075
Total Expenses	<u>18,144,500</u>	<u>16,213,072</u>	<u>16,891,255</u>	<u>15,213,736</u>

31. CORPORATE INCOME TAX

The Company and its local subsidiaries used tax rate of 20% for corporate income tax and deferred tax calculations for the years ended February 29, 2020 and February 28, 2019. The foreign subsidiaries used 20% - 25% for corporate income tax and deferred tax calculations for the years ended February 29, 2020 and February 28, 2019.

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 years ended February 29, 2020 and February 28, 2019, income tax expense consists of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the years	1,316,260	1,041,163	1,152,024	947,391
Deferred income tax revenue	(292,704)	(173,544)	(285,886)	(170,056)
Income tax expense per statements of profit or loss	<u>1,023,556</u>	<u>867,619</u>	<u>866,138</u>	<u>777,335</u>

Reconciliations of effective tax rates for the years ended February 29, 2020 and February 28, 2019, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Accounting profit before income tax	5,143,787	4,434,243	4,710,887	4,215,163
Permanent differences	(77,733)	(96,204)	(74,112)	(90,402)
Temporary differences	1,463,720	865,402	1,429,429	850,280
Income that is exempt from taxable	-	-	(306,086)	(238,088)
Taxable profit	<u>6,529,774</u>	<u>5,203,441</u>	<u>5,760,118</u>	<u>4,736,953</u>
Normal income tax rate (%)	20.00 - 25.00	20.00 - 25.00	20.00	20.00
Income tax for the period currently payable	1,316,260	1,041,163	1,152,024	947,391
Deferred tax from temporary differences	(292,704)	(173,544)	(285,886)	(170,056)
Income tax expense per statements of profit or loss	<u>1,023,556</u>	<u>867,619</u>	<u>866,138</u>	<u>777,335</u>
Effective tax rate (%)	19.90	19.57	18.39	18.44

32. TRANSACTIONS WITH RELATED PARTIES

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

32.1 Investments in an associate and subsidiaries (see Note 9.2) as at February 29, 2020 and February 28, 2019, are as follows:

Related parties	Relationship	SEPARATE FINANCIAL STATEMENTS					
		As at February 29, 2020			As at February 28, 2019		
		Ownership %	Paid-up capital Baht' 000	Cost Baht '000	Ownership %	Paid-up capital Baht' 000	Cost 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><u>1,223,464.6</u></u>			<u><u>1,044,830.4</u></u>

32.2 Business transactions with related parties

32.2.1 Balances with related parties as at February 29, 2020 and February 28, 2019, are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at February 29, 2020 Baht '000	As at February 28, 2019 Baht '000	As at February 29, 2020 Baht '000	As at February 28, 2019 Baht '000
Other receivables (see Note 6)					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	31,673	59,931
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	1,089	2,135
AEON Financial Service Co., Ltd.	Major shareholder	1,065	1,081	215	187
AEON Credit Service Company Limited	Common ultimate holding company	60	-	-	-
ACS Capital Corporation Limited	Shareholder and one common director	1,024	887	1	17
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	464	1,092
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	48,381	44,520
AEON Microfinance (Myanmar) Company Limited	Subsidiary	-	-	-	12
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	1,800	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 Bank Ltd.	Common ultimate holding company	82	-	-	-
		<u>2,231</u>	<u>3,861</u>	<u>83,623</u>	<u>107,912</u>
Long-term loan (see Note 8)					
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	125,858	-
Seller loan in Special Purpose Vehicle for securitization (see Note 10)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	235,074	199,920
Subordinated lendings (see Note 11.1)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	84,074	84,074
Long-term borrowings (see Note 19)					
AEON Bank Ltd.	Common ultimate holding company	732,928	1,436,331	732,928	1,436,331

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		As at	As at	As at	As at
		February 29,	February 28,	February 29,	February 28,
		2020	2019	2020	2019
		Baht '000	Baht '000	Baht '000	Baht '000
Trade payables					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	80	610
Other payables (see Note 17)					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	9,085	11,692
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	145,924	68,788
AEON (Thailand) Company Limited	Shareholder and two common directors	11,346	1,434	11,346	1,434
AEON Financial Service Co., Ltd.	Major shareholder	45,438	154,882	40,355	62,680
AEON Credit Service Company Limited	Common ultimate holding company	12,346	7,024	8,996	3,387
AEON Credit Service Systems (Philippines) Inc.	Holding shares	1,619	244	-	189
AEON Bank Ltd.	Common ultimate holding company	1,847	1,864	1,847	1,271
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	-	3,630	-	-
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	59,878	71,558
AEON ASIA SDN. BHD.	Common ultimate holding company	-	193	-	193
AEON Insurance Service Company Limited (JP)	Common ultimate holding company	1,371	-	-	-
		<u>73,967</u>	<u>169,271</u>	<u>277,431</u>	<u>221,192</u>
Long-term borrowing under securitization project (see Note 20)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,662,552	1,652,515
Deposit Received					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	4,163	5,266
Deferred Revenue					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	82,872	27,689

32.2.2 Transactions with related parties for the years ended February 29, 2020 and February 28, 2019, are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the years ended February 29, 2020 Baht '000	February 28, 2019 Baht '000	For the years ended February 29, 2020 Baht '000	February 28, 2019 Baht '000
Sale promotion income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	2,613	5,842
Credit card income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	366,645	344,070
Revenue relating to securitization transaction (included in loan income) (see Note 27)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	168,797	139,004
Collection income					
ACS Capital Corporation Limited	Shareholder and one common director	2,708	3,631	-	-
Dividend income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	92,500	75,000
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	171,680	95,016
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	-	30,368
		<u>-</u>	<u>-</u>	<u>264,180</u>	<u>200,384</u>
Other income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	51,796	52,627
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	8,473	3,854
ACS Capital Corporation Limited	Shareholder and one common director	9,247	3,815	3,261	3,200
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	1,800	-
		<u>9,247</u>	<u>3,815</u>	<u>65,330</u>	<u>59,681</u>
Operating and administrative expenses					
Collection service fee					
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	446,887	416,457
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	8,807	10,165
		<u>-</u>	<u>-</u>	<u>455,694</u>	<u>426,622</u>
Others					
AEON Financial Service Co., Ltd.	Major shareholder	101,725	98,912	93,331	86,221
AEON Credit Service Company Limited	Common ultimate holding company	44,190	45,765	19,190	19,010
AEON Bank Ltd.	Common ultimate holding company	8,848	2,557	2,788	2,557
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	-	21,491

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
		Baht '000	Baht '000	Baht '000	Baht '000
Others (continued)					
AEON (Thailand) Company Limited	Holding shares and two common directors	24,626	16,106	24,626	16,106
ACS Capital Corporation Limited	Shareholder and one common director	-	-	-	-
AEON Credit Service Systems (Philippines) Inc.	Holding shares	6,168	7,402	4,077	4,462
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	17,574	9,621
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	1,814	2,387	-	-
AEON Insurance Service Company Limited (JP)	Common ultimate holding company	128	-	-	-
		<u>187,499</u>	<u>173,129</u>	<u>161,586</u>	<u>159,468</u>
Finance costs					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	440,108	391,178
AEON Bank Ltd.	Common ultimate holding company	8,416	11,227	8,416	11,227
AEON Financial Service Co., Ltd.	Major shareholder	2,412	1,483	-	-
		<u>10,828</u>	<u>12,710</u>	<u>448,524</u>	<u>402,405</u>
Dividend paid					
AEON Financial Service Co., Ltd.	Major shareholder	421,440	403,880	421,440	403,880
ACS Capital Corporation Limited	Shareholder and one common director	230,400	220,800	230,400	220,800
AEON Holding (Thailand) Limited	Common ultimate holding company	105,600	101,200	105,600	101,200
		<u>757,440</u>	<u>725,880</u>	<u>757,440</u>	<u>725,880</u>

- Other income for the years ended February 29, 2020 and February 28, 2019 include the computer fee charged to ACS Capital Corporation Limited, at the rates of Baht 1,000,000 per month until 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 transactions are determined by the Company and subsidiaries 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 are determined by the Company and related parties based on the cost plus basis.
- Computer programs purchasing price is paid to AEON Credit Service Systems (Philippines) Inc. as specified in the agreement.

33. LONG-TERM OPERATING LEASE AND SERVICE AGREEMENTS

As at February 29, 2020 and February 28, 2019, the Company has long-term operating lease and service agreements with third parties as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Future minimum lease payments			
	As at February 29, 2020		As at February 28, 2019	
	Within 1 year	Over 1 to 5 years	Within 1 year	Over 1 to 5 years
	Baht '000	Baht '000	Baht '000	Baht '000
Building	399,638	349,438	343,091	277,030
Office equipment	53,758	23,640	54,414	47,324
Vehicle	39,752	12,669	51,000	27,987

	SEPARATE FINANCIAL STATEMENTS			
	Future minimum lease payments			
	As at February 29, 2020		As at February 28, 2019	
	Within 1 year	Over 1 to 5 years	Within 1 year	Over 1 to 5 years
	Baht '000	Baht '000	Baht '000	Baht '000
Building	353,075	301,221	308,763	250,563
Office equipment	52,956	23,436	53,994	46,778
Vehicle	24,955	11,304	35,407	24,937

34. 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 the third party transactions. Transactions between segments are eliminated on consolidation.

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

34.1 Operating result classified by business for the years ended February 29, 2020 and February 28, 2019, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
For the year ended February 29, 2020					
	Retail finance services		Other business	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	20,739,996	1,424,508	1,136,448	-	23,300,952
Inter - segment revenues	693,709	5,252	436,250	(1,135,211)	-
	<u>21,433,705</u>	<u>1,429,760</u>	<u>1,572,698</u>	<u>(1,135,211)</u>	<u>23,300,952</u>
Expenses					
Operating and administrative expenses	8,054,941	656,849	1,230,499	(851,061)	9,091,228
Directors and managements' remuneration	101,516	38,300	32,090	-	171,906
Bad debts and doubtful accounts (reversal)	6,512,931	133,909	(578)	-	6,646,262
Loss on impairment of asset	539	-	-	-	539
(Gain) loss on sale and write-off of leasehold improvement and equipment and intangible assets	24,866	599	(72)	-	25,393
Finance costs	1,965,165	243,993	14	-	2,209,172
Total expenses	<u>16,659,958</u>	<u>1,073,650</u>	<u>1,261,953</u>	<u>(851,061)</u>	<u>18,144,500</u>
Share of loss from investment in an associate	-	-	-	(12,665)	(12,665)
Profit before income tax	4,773,747	356,110	310,745	(296,815)	5,143,787
Income tax expense	887,091	77,204	59,261	-	1,023,556
Net profit for the year	<u>3,886,656</u>	<u>278,906</u>	<u>251,484</u>	<u>(296,815)</u>	<u>4,120,231</u>

CONSOLIDATED FINANCIAL STATEMENTS					
For the year ended February 28, 2019					
	Retail finance services		Other business	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	18,677,559	878,438	1,085,704	-	20,641,701
Inter - segment revenues	612,415	-	510,709	(1,123,124)	-
	<u>19,289,974</u>	<u>878,438</u>	<u>1,596,413</u>	<u>(1,123,124)</u>	<u>20,641,701</u>
Expenses					
Operating and administrative expenses	7,606,532	521,998	1,326,228	(933,879)	8,520,879
Directors and managements' remuneration	115,166	39,792	27,529	-	182,487
Bad debts and doubtful accounts (reversal)	5,220,656	64,488	(603)	-	5,284,541
Loss on impairment of investment and assets	44,913	-	-	-	44,913
(Gain) loss on sale and write-off of leasehold improvement and equipment and intangible assets	3,946	168	(5,528)	6,942	5,528
Finance costs	2,027,042	147,320	362	-	2,174,724
Total expenses	<u>15,018,255</u>	<u>773,766</u>	<u>1,347,988</u>	<u>(926,937)</u>	<u>16,213,072</u>
Share of profit from investment in an associate	-	-	-	5,614	5,614
Profit before income tax	4,271,719	104,672	248,425	(190,573)	4,434,243
Income tax expense	796,188	23,617	47,814	-	867,619
Net profit for the year	<u>3,475,531</u>	<u>81,055</u>	<u>200,611</u>	<u>(190,573)</u>	<u>3,566,624</u>

34.2 Financial position classified by business as at February 29, 2020 and February 28, 2019, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
As at February 29, 2020					
	Retail finance services		Other business	Elimination	Total
	Domestic Baht '000	Foreign Baht '000	Domestic Baht '000	Baht '000	Baht '000
Trade and other receivables	81,232,942	5,797,829	421,700	(240,623)	87,211,848
Leasehold improvement and equipment and intangible assets	1,236,422	203,540	98,956	(6,942)	1,531,976
Other assets	6,561,997	625,348	807,177	(1,342,735)	6,651,787
Total assets	89,031,361	6,626,717	1,327,833	(1,590,300)	95,395,611
Total liabilities	68,915,446	5,386,901	283,164	(315,047)	74,270,464

CONSOLIDATED FINANCIAL STATEMENTS					
As at February 28, 2019					
	Retail finance services		Other business	Elimination	Total
	Domestic Baht '000	Foreign Baht '000	Domestic 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	82,698,602	4,077,161	1,447,840	(1,102,066)	87,121,537
Total liabilities	65,240,302	3,199,934	387,537	(94,599)	68,733,174

35. DISCLOSURE OF INFORMATION RELATING TO FINANCIAL INSTRUMENTS

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

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

35.1 Accounting policies

Details of significant accounting policies are disclosed in Note 3.

35.2 Credit risk

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

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

35.3 Interest rate risk

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

The Company did not anticipate any interest rate fluctuation risk which may have a material effect on the result of operations as all of the loans carrying floating interest rates have been hedged.

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

35.4 Foreign exchange risk

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

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

35.5 Fair value measurements

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

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

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

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

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

	Carrying amount	Fair value	Fair value hierarchy
	Baht '000	Baht '000	
As at February 29, 2020			
Consolidated financial statements			
Financial liabilities			
Long-term borrowings bearing fixed interest rate	9,423,476	9,495,653	Level 2
Long-term borrowings bearing floating interest rate	35,836,135	35,854,083	Level 2
Long-term debentures bearing fixed interest rate	11,190,902	11,337,213	Level 2
Long-term debentures bearing floating interest rate	5,597,064	5,604,534	Level 2
Separate financial statements			
Financial liabilities			
Long-term borrowings bearing fixed interest rate	8,240,556	8,312,732	Level 2
Long-term borrowings bearing floating interest rate	35,836,135	35,854,083	Level 2
Long-term debentures bearing fixed interest rate	11,190,902	11,337,213	Level 2
Long-term debentures bearing floating interest rate	4,123,982	4,131,452	Level 2
As at February 28, 2019			
Consolidated financial statements			
Financial liabilities			
Long-term borrowings bearing fixed interest rate	8,819,673	8,863,671	Level 2
Long-term borrowings bearing floating interest rate	31,799,191	31,832,979	Level 2
Long-term debentures bearing fixed interest rate	8,790,951	8,809,307	Level 2
Long-term debentures bearing floating interest rate	7,147,669	7,168,506	Level 2
Separate financial statements			
Financial liabilities			
Long-term borrowings bearing fixed interest rate	8,199,992	8,243,990	Level 2
Long-term borrowings bearing floating interest rate	31,799,190	31,832,979	Level 2
Long-term debentures bearing fixed interest rate	8,790,951	8,809,307	Level 2
Long-term debentures bearing floating interest rate	5,674,587	5,695,424	Level 2

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

The carrying amount and estimated fair values of receivables and/or payables per cross currency swap contracts are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 29, 2020				
	Carrying amount			Fair value
	Within 1 year Baht '000	Over 1 - 5 years Baht '000	Total Baht '000	Assets (Liabilities) Baht '000
Receivables per currency swap contracts				
Cross Currency Swap Contracts	151,056	210,072	361,128	(93,883)
Payables per currency swap contracts				
Cross Currency Swap Contracts	(526,253)	(867,341)	(1,393,594)	(2,233,795)
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2019				
	Carrying amount			Fair value
	Within 1 year Baht '000	Over 1 - 5 years Baht '000	Total Baht '000	Assets (Liabilities) Baht '000
Receivables per currency swap contracts				
Cross Currency Swap Contracts	35,908	118,875	154,783	(76,061)
Payables per currency swap contracts				
Cross Currency Swap Contracts	(441,278)	(1,543,443)	(1,984,721)	(2,545,252)

36. CREDIT FACILITIES AND LETTERS OF GUARANTEE

- 36.1 As at February 29, 2020 and February 28, 2019, the Company has unused committed and unsecured revolving credit facility agreements with some financial institutions totaling Baht 3,000 million.
- 36.2 As at February 29, 2020 and February 28, 2019, the Company has unused and unsecured overdraft facilities with various banks totaling Baht 3,090 million and Baht 2,440 million, respectively.
- 36.3 As at February 29, 2020 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.
- 36.4 As at February 29, 2020 and February 28, 2019, two subsidiaries have letters of guarantee issued by banks in the amounts of Baht 5.38 million and Baht 5.83 million, respectively.

37. SIGNIFICANT AGREEMENTS RELATING TO SECURITIZATION TRANSACTION

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

38. SALE OF WRITTEN-OFF RECEIVABLES

- 38.1 On February 22, 2018, the Company sold written-off receivables under loan agreements and credit card agreements by a bidding process to two unrelated local companies (the “buyers”) with the purchase price of Baht 164.07 and Baht 15.07 million, respectively. At the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyers. The agreements 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 February 22, 2018, which is the closing date as specified in the agreements, the Company received the initial payment of Baht 41.02 million and Baht 15.07 million, respectively, from the buyers. One of the buyers has agreed to pay the remaining amount of purchase price amounting to Baht 123.05 million in three installments of Baht 41.02 million per each, on March 22, 2018, April 22, 2018 and on the delivery date, respectively. The Company has already recognized gain on sale of written-off receivables totaling Baht 179.14 million in the consolidated and separate statements of profit or loss for the year ended February 28, 2018, and recorded outstanding receivables of Baht 123.05 million as other receivables in the consolidated and separate statements of financial position as at February 28, 2018.

Subsequently, during the year ended February 28, 2019, the Company has already received cash proceeds of the remaining balance as specified in the agreement.

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

- 38.2 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 2.48 million and Baht 4.29 million as bad debt recovery in the consolidated and separate statements of profit or loss for the years ended February 29, 2020 and February 28, 2019, respectively, and recorded outstanding deferred revenue of Baht 24.75 million and Baht 27.23 million as other current liabilities in the separate statement of financial position as at February 29, 2020 and February 28, 2019, respectively.

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 was entitled to a right to first negotiate with the buyer with regard to a purchase of the portfolio before any third party. If the negotiation was not concluded within three months or the Company decided not to make a purchase, the buyer might sell such loans receivable to a third party.

- 38.3 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 0.93 million as bad debt recovery in the consolidated and separate statements of profit or loss for the year ended February 29, 2020 and recorded outstanding deferred revenue of Baht 57.83 million as other current liabilities in the separate statements of financial position as at February 29, 2020.

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 was entitled to a right to first negotiate with the buyer with regard to a purchase of the portfolio before any third party. If the negotiation was not concluded within three months or the Company decided not to make a purchase, the buyer might sell such loans receivable to a third party.

- 38.4 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 year ended February 29, 2020.

Under the Asset Sale and Purchase Agreement, the buyer was entitled to claim damages from the Company from sales of loans receivable within a specific period in events the buyer did not have lawful title over loans receivable or loan agreements are not legal as specified in the agreement. The claim was to be settled with the final payment which the Company would receive from the buyer. However, the Company believed that such damage was not significant, therefore, the Company had not recorded such claim in the financial statements for the year ended February 29, 2020. In addition, if the buyer wished to sell or transfer loan that were intended to be a portfolio sale to a third party, the Company was entitled to a right to first negotiate with the buyer with regard to a purchase of the portfolio before any third party. If the negotiation did not conclude within three months or the Company decided not to make a purchase, the buyer might sell such loan to a third party.

- 38.5 On February 27, 2020, 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 329.19 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 February 27, 2020, which is the closing date as specified in the agreement, the Company received the initial payment of Baht 164.65 million, from the buyer. The Company has already recognized gain on sale of written-off receivables totaling 329.19 Baht million in the consolidated and separate statements of profit or loss for the year ended February 29, 2020, and recorded outstanding receivables of Baht 164.54 million as other receivables in the consolidated and separate statements of financial position as at February 29, 2020.

Under the Asset Sale and Purchase Agreement, the buyer was entitled to claim damages from the Company from sales of loans receivable within a specific period in events the buyer did not have lawful title over loans receivable or loan agreements are not legal as specified in the agreement. The claim was to be settled with the final payment which the Company would receive from the buyer. However, the Company believed that such damage was not significant, therefore, the Company had not recorded such claim in the financial statements for the year ended February 29, 2020. In addition, if the buyer wished to sell or transfer loan that were intended to be a portfolio sale to a third party, the Company was entitled to a right to first negotiate with the buyer with regard to a purchase of the portfolio before any third party. If the negotiation did not conclude within three months or the Company decided not to make a purchase, the buyer might sell such loan to a third party.

39. 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 February 29, 2020. 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

40. EVENT AFTER THE REPORTING PERIOD

A novel coronavirus (COVID-19) pandemic started in early 2020 in Thailand and countries the Group companies operate. It clearly affects overall Thailand and global economy, including the Company and the Group's employees, customers, business partners and business operations.

In order to mitigate the impacts, the Company provides supports to customers as the relief measurement for loan to affected customer from the impact of COVID-19, following to the Bank of Thailand's the relief measurement to help debtors from the Thai economic situation, by reducing minimum payment rates for credit card and personal loan and providing grace period for principal and interest according to conditions and terms specified by the Company.

For the impact of COVID-19 to the financial statements for the year ended February 29, 2020, the Company and the Group consider this outbreak event to be a non-adjusting event after the reporting period.

Due to the uncertainties of COVID-19, the Company and the Group are in the process to closely monitor the pandemic and reasonably estimate the potential impact on the Company and the Group. The Company's and the Group's management believe that the Company and the Group will be able to continue as a going concern and meet their obligations as these fall due.

41. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issue by the Company's authorized director and the Audit Committee on April 22, 2020.

(Translation)

No.04/2020

April 28, 2020

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 4/2020

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby report the resolutions passed at the meeting of the Board of Directors No. 4/2020, held on April 28, 2020 from 10:00 a.m. as follows:

1. Unanimously approved of the audited financial statements of the Company for the fiscal year ended February 29, 2020.
2. Unanimously approved and declaration of final dividend payment for the fiscal year ended February 29, 2020. The final dividend will be paid at 2.55 baht per share to the shareholders on July 20, 2020. The right to receive dividend has to be approved at shareholders meeting on June 24, 2020.

This dividend is paid in addition to the interim dividend already paid at the rate of 2.45 baht per share on November 4, 2019. The total dividends paid for the fiscal year ended February 29, 2020, is 5.00 baht per share or 31.4% payout ratio. The Company has set the record date on May 14, 2020 to determine the shareholders entitled to receive dividends (XD will be posted on May 13, 2020).

3. Approved the appointment of directors for the replacement of the directors who vacated office by rotation at the Annual General Meeting of the Shareholders 2020, there will be 4 directors who are due to retire upon completion of their term of office, namely:

1. Mrs. Suporn Wattanavekin
2. Mr. Masanori Kosaka
3. Mr. Chatchaval Jiravanon
4. Mr. Noppun Muangkote

Approved re-appointment of Mrs. Suporn Wattanavekin, Mr. Masanori Kosaka, Mr. Chatchaval Jiravanon and Mr. Noppun Muangkote, whose term will be due on the date of the Annual General Meeting of Shareholders 2020 to be the Company's Directors for another term.

4. Approved to increase the number of directors of the Company from 12 to 14 directors and approved the appointment of Mr. Tsutomu Omodera as the Director of the Company and approved the appointment of Mr. Ryoichi Hasuo as the Independent Director of the Company, which will be effective after obtaining approval from the Annual General Meeting of Shareholders on June 24, 2020. Therefore, the Board of Director of the Company will be as follows:

1. Mr. Hideki Wakabayashi
2. Mr. Kenji Fujita
3. Mrs. Suporn Wattanavekin
4. Mr. Masanori Kosaka
5. Mr. Nuntawat Chotvijit
6. Ms. Suriporn Thammawatid
7. Mr. Kazumasa Oshima
8. Mr. Chatchaval Jiravanon
9. Mr. Noppun Muangkote
10. Dr. Sucharit Koontanakulvong
11. Mr. Kenji Hayashi
12. Dr. Mongkon Laoworapong
13. Mr. Tsutomu Omodera
14. Mr. Ryoichi Hasuo

The meeting also approved the directors' remuneration for the fiscal year ended February 28, 2021 to be not more than 35,000,000 baht.

5. Approved the appointment of Mrs. Suporn Wattanavekin as an authorized director of the Company. Therefore the authorized directors of the Company are as follows:

"Mr. Hideki Wakabayashi or Mr. Kenji Fujita or Mrs. Suporn Wattanavekin singly signs together with the Company's seal being affixed."

6. Approved the appointment of the Audit Committee Members for the year ended February 28, 2021. The Audit Committee Members will consist of the following persons:

- (1) Mr. Noppun Muangkote
- (2) Dr. Sucharit Koontanakulvong
- (3) Dr. Mongkon Laoworapong

7. Unanimously approved the appointment of three auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to be the Company's auditors for the fiscal year ended February 28, 2021, and the determination of the auditing fee within the amount of not exceeding 5,700,000 baht and the miscellaneous expenses of not more than 500,000 baht. The Company's auditors are as follows:

- | | | |
|-------------------|---------------|-------------------------|
| (1) Mrs. Nisakorn | Songmanee | CPA (Thailand) No. 5035 |
| (2) Mr. Chavala | Tienpasertkij | CPA (Thailand) No. 4301 |
| (3) Mr. Yongyuth | Lertsurapibul | CPA (Thailand) No. 6770 |

8. Approved the amendment of the Clause 3 (Objectives of the Company) of the Memorandum of Association of the Company. The new Objectives of the Company will contain 40 clauses instead of 39 clauses as follow:

(40) To carry on life insurance broker business and non-life insurance broker business

9. Unanimously approved the schedule of the Annual General Meeting of Shareholders for the year 2020 to be held on June 24, 2020 at 10.00 am. The meeting agenda are as follows:

1. To acknowledge the annual report and the Company's operating results in the fiscal year ended February 29, 2020.
2. To approve the audited financial statements for the fiscal year ended February 29, 2020.
3. To acknowledge the payment of interim dividend and approve declaration of final dividend payment for the fiscal year ended February 29, 2020.
4. To elect directors to replace those retiring by rotation and new directors and increase number of directors.
5. To approve remuneration of directors for the fiscal year ended February 28, 2021.
6. To appoint auditor and determine audit fee for the fiscal year ended February 28, 2021.
7. To approve the amendment of Clause 3 (Objectives of the Company) of the Memorandum of Association of the Company.
8. Other businesses (if any)

The Board of Director meeting also approved the record date on May 14, 2020 to determine the shareholders who have the right to attend the Annual General Meeting. The authorized directors of the Company will consider and approve the meeting venue for AGM and the Company will then inform the shareholders accordingly.

Please be informed accordingly

Yours sincerely,

Kenji Fujita
Managing Director

Form to Report on Names of Members and Scope of Work of the Audit Committee

The Board of Directors meeting of AEON Thana Sinsap (Thailand) Public Company Limited No. 4/2020 held on April 28, 2020 resolved the meeting's resolutions in the following manners:

- Appointment of the audit committee:
 - Chairman of the audit committee Member of the audit committee

As follows:

(1)

- Renewal for the term of audit committee:
 - Chairman of the audit committee Member of the audit committee

- (1) Mr. Noppun Muangkote
- (2) Dr. Sucharit Koontanakulvong
- (3) Dr. Mongkon Laoworapong

The appointment/renewal of which shall take an effect as of April 28, 2020

- Determination/Change in the scope of duties and responsibilities of the audit committee with the following details:

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, the determination/change of which shall take an effect as of

The audit committee is consisted of:

- 1. Chairman of the audit committee Mr. Noppun Muangkote.....remaining term in office 1 year
- 2. Member of the audit committee Dr. Sucharit Koontanakulvong.....remaining term in office 1 year
- 3. Member of the audit committee Dr. Mongkon Laoworapong.....remaining term in office 1 year

Secretary of the audit committee Ms. Kajohnporn Kittisobhone

The audit committee number(s) 1-3 have adequate expertise and experience to review creditability of the financial reports.

The audit committee of the company has the scope of duties and responsibilities to the Board of Director on the following matters:

1. Review the Company's financial reporting process to ensure accuracy and adequacy.
2. Ensure the Company has suitable and efficient internal control system and internal audit. The Committee shall consider the independence of the Internal Audit Office.
3. Review the performance of the Company to ensure compliance with the securities and exchange law, regulations of the Stock Exchange of Thailand or laws relating to business of the Company.
4. Consider, select and nominate the Company's external auditor and recommend its remuneration. The Committee shall meet privately with the external auditor once a year, without the management team being present.
5. Review the disclosure of the Company in case where there is any connected transaction that may lead to conflict of interest so as to ensure the reasonable transaction and benefit to the Company.
6. Prepare a report on monitoring activities of the Committee to be disclosed in the annual report of the Company, which shall be signed by the Chairman of the Committee and contained at least the following information:
 - 6.1 an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - 6.2 an opinion on the adequacy of the Company's internal control system,
 - 6.3 an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - 6.4 an opinion on the suitability of an auditor,
 - 6.5 an opinion on the transactions that may lead to conflicts of interests,
 - 6.6 the number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - 6.7 an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
 - 6.8 other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
7. Perform anything else which was assigned by the Board of Directors of the Company together with an approval and under the scope of duties and responsibilities of the Committee.

The company hereby certifies that

1. The qualifications of the aforementioned members meet all the requirements of the Stock Exchange of Thailand; and
2. The scope of duties and responsibilities of the audit committee as stated above meet all the requirements of the Stock Exchange of Thailand

(Seal)

Signed Managing Director

(Mr. Kenji Fujita)

Management Discussion and Analysis

Fiscal year ended February 29, 2020

AEON Thana Sinsap (Thailand) Public Company Limited (“the Company”) has already submitted the audited financial statements for the year ended February 29, 2020 which were audited 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 (NESDB), Thai economy in 2020 expanded by 2.4%, decreased from 4.2% in previous year. This was because the global economic uncertainty caused by the trade war between US and China, the conflicts in the Middle East and the unpredictability of the political situation in Europe. These factors have impacted to Thailand, particularly in the export sector, the tourism sector, slowdown of private consumption and investment as well as the Baht's ongoing appreciation. In 2020, Thailand economic growth will likely slowdown. There are risks from internal and external factors such as severe droughts, a rise in unemployment and household debt as well as the global outbreak of the Coronavirus (COVID-19) since early 2020. However, the Company also complies with the Bank of Thailand to provide the relief measurements to assist our customers by reducing minimum payment for credit card and personal loan as well as providing a grace period for all products. These measures would be effective in the first quarter of 2019.

The growth of credit card business and personal loan business in Thailand was still growing strongly despite the economic slowdown. According to the Bank of Thailand data, at the end of December 2019, the credit card industry reported the total numbers of credit card industry amounted to 23.6 million cards, has grown by 8% more than last year. Credit Card receivable was 457,090 million baht, with the growth of 9% from the same period last year. For personal loan industry, the numbers of account of personal loan under supervision amounted to 16.2 million accounts, 21% more than last year. Personal loan receivable was 579,911 million baht, with the growth of 51% from the same period last year, due to include the car title loan since February 2019 onwards.

The new Thai Financial Reporting Standards (TFRS9) which would be effective on January 1, 2020. This standard establishes the principle in relation to the classification and measurement of financial instruments based on the consideration of the contractual cash flow characteristics 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. Thai Financial Reporting Standards which was effective for the Company's financial statements with fiscal years beginning on March 1, 2020.

As of February 29, 2020, the Company's total cards reached 9 million cards, increased by 6% from the end of fiscal year 2018 (including 2.85 million credit cards, increased by 9% from the end of last year and 6.15 million member cards, increased by 4% 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 105 branches, 413 ATMs, and 6,631 dealer members to provide a quality of financial services to AEON cardholders. In addition, in 2019 The Company opened a new platform branch with our first Flagship Store at Central World Shopping Center. This raised our financial services to a digital platform that has facilitated our customers by performing their own transactions through our virtual teller machine (VTM). For overseas business in Cambodia, Myanmar and Laos, they have active customers more than 348,000 customers, increased by 33% from last year, and representing 13% of active customers of the Company.

Summary of Consolidated Financial Results

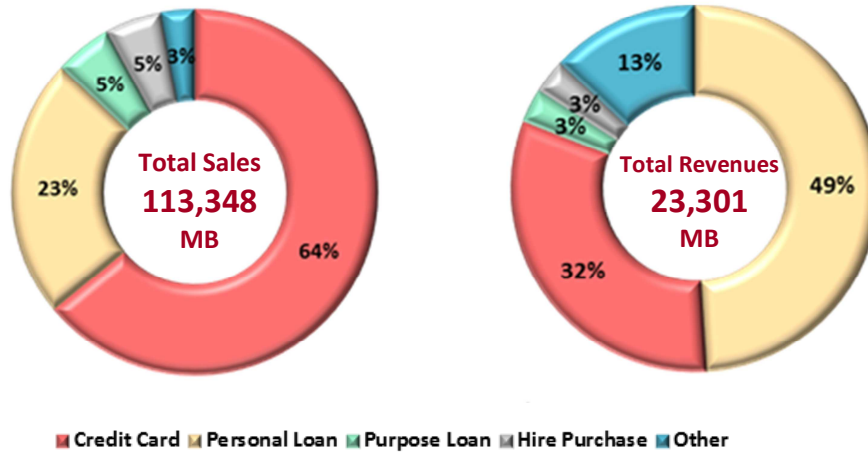
1. Operating Results

Profit and Loss Statement (Consolidated) Unit : Million Baht	3Q/19	4Q/18	4Q/19	%QoQ	%YoY	FY18	FY19	%YoY
Credit card income	1,897	1,844	1,878	-1%	2%	7,490	7,529	1%
Loan income	3,048	2,790	3,077	1%	10%	10,723	12,065	13%
Hire-purchase income	192	130	241	26%	85%	431	754	75%
Other income	841	542	969	15%	79%	1,998	2,953	48%
Total Revenues	5,979	5,306	6,165	3%	16%	20,642	23,301	13%
Operating and administrative expenses and others	2,353	2,318	2,360	0.3%	2%	8,753	9,289	6%
Bad debts and doubtful accounts	1,786	1,418	1,872	5%	32%	5,285	6,646	26%
Finance costs	549	532	560	2%	5%	2,175	2,209	2%
Total Expenses	4,688	4,268	4,793	2%	12%	16,213	18,145	12%
Profit before tax income	1,284	1,040	1,369	7%	32%	4,434	5,144	16%
Income tax expenses	257	202	271	5%	34%	868	1,024	18%
Net profit for the period	991	817	1,056	6%	29%	3,506	3,975	13%
Earning Per Share (Baht per share)	3.96	3.27	4.22	7%	29%	14.03	15.90	13%

Revenues

In the fiscal year ended February 29, 2020, the total consolidated revenues were 23,301 million baht, showing an increase of 2,659 million baht or 13% y-y. For the fourth quarter of 2019, the Company's revenues were 6,165 million baht, showing an increase of 859 million baht or 16% y-y and 3% q-q. The revenue increase was mainly from 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 32% y-y. The revenue from overseas subsidiaries grew by 63% y-y. In addition, in the fourth quarter of 2019, the Company recorded the other incomes from gain on sales of bad debt at the amount of 329 million baht. Details of each business can be described as follows:

Sales and Revenues Structure for FY2019



- Credit Card

For the fiscal year 2019, credit cards turnover accounted 64% of total turnovers with revenue of 7,529 million baht, showing an increase of 39 million baht or 1% y-y. For the fourth quarter of 2019, credit card revenue was 1,878 million baht, an increase of 34 million baht or 2% y-y. However, the Company continued to collaborate with exiting and new business partners in order to offer more benefits and to expand our customer base. The Company also launched the marketing campaigns throughout the year. For example, AEON Gift 2020 campaign and AEON shop plus 2019 campaign to redeem the premiums and vouchers, AEON Shop Smart campaign and other privileges with leading shopping malls. For subsidiary in overseas, in the fiscal year of 2019, AEON Specialized Bank (Cambodia) Plc had credit card revenue of 74 million baht, grew by 91% y-y.

- Loans

For the fiscal year 2019, loans shared 28% of total turnovers with the revenue of 12,065 million baht, an increase of 1,342 million baht or 13% y-y. For the fourth quarter of 2019, loans revenue was 3,077 million baht, an increase of 287 million baht or 10% y-y and 1% q-q. In 2019, the Company expanded more service channels to facilitate customers and reduce the Company's operation cost through our Digital Your Cash Service. This is a new category of our personal loan service that launched a card less withdrawal. A credit line of a virtual account which customers can cash withdrawal through our AEON Thai Mobile Application and scan QR code at ATMs of AEON and KBank. For the Cardless transactions currently accounted for 17% of total personal loan sales. Moreover, loan income from AEON Microfinance (Myanmar) Company Limited in the fiscal year of 2019 grew by 48% y-y and AEON Specialized Bank (Cambodia) Plc grew by 83% y-y.

- Hire Purchase

For the fiscal year 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 754 million baht, increasing by 323 million baht or 75% y-y, resulted of auto loan business expansion and hire purchase sales from overseas business grew by 60% y-y, especially from business in Cambodia grew by 79% y-y. For the fourth quarter of 2019, the Company had hire purchase revenue of 241 million baht, an increase of 111 million baht or 85% y-y and 26% q-q drove by auto loans business expansion. The Company also launched Motorcycle Big Bike Hire Purchase in September 2019, which covers more than 200 dealers nationwide.

- Others

For the fiscal year of 2019, other incomes were 2,953 million baht, showing an increase of 955 million baht or 48% y-y and represented 13% of total revenues. The increase was mainly from the continued growth of bad debt recovery that increased by 36% y-y caused by increased the internal legal staff to expedite the legal process. In 2019, the Company recorded gain on sales of bad debt at the amount of 577 million baht. For the fourth quarter of 2019, other incomes were 969 million baht, increasing by 427 million baht or 79% y-y, due to bad debt recovery increased by 32% y-y and 6% q-q. In addition, the Company has other incomes from bad debt selling in the fourth quarter of 2019 at the amount of 329 million baht. Moreover, the income for the fiscal year of 2019 of Company's subsidiaries in Thailand, the Company had commission income of 531 million baht from AEON Insurance Service (Thailand) Co., Ltd. and collection service income of 268 million baht 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 fiscal year of 2019 of 18,145 million baht, an increase of 1,932 million baht or 12% y-y. For the fourth quarter of 2019, the consolidated expenses were 4,793 million baht, an increase of 525 million baht or 12% y-y. Details of expenses are shown as follows:

- Operating and Administrative Expenses

For the fiscal year of 2019, the consolidated operating and administrative expense were 9,289 million baht, increasing by 6% y-y and representing of 40% of total revenues. The increasing of expenses came from marketing expense which increased 10% y-y and administrative expense increased 12% y-y. For the fourth quarter of 2019, the consolidated operating and administrative expenses were 2,360 million baht, increasing by 2% y-y and representing of 38% of total revenues, which was lower than last year at 44%

of total revenues. However, the Company was able to effectively control the operating and administrative expenses. In 2019, the Company has developed AEON Thai Mobile Application to add more functions. The Company also launched the E-statements service and introduced the kiosk concept at some of branches in order to reduce our operation cost.

- Bad debt and Doubtful accounts

The consolidated bad debts and doubtful accounts for the fiscal year of 2019 amounted to 6,646 million baht, increasing by 26% y-y. For the fourth quarter of 2019, the Company recorded bad debts and doubtful accounts of 1,872 million baht, increasing by 32% 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 increasing of household debt as well as new regulations of debt collection. Meanwhile, the Company has implemented the new collection system under "Pooling Concept" to further improve its debt collection performance.

- Finance Cost

The Company recorded consolidated finance cost for the fiscal year of 2019 amount of 2,209 million baht, increasing by 2% y-y. For the fourth quarter of 2019, the finance cost was 560 million baht, increasing by 5% y-y and accounted for 9% of total revenues. The average funding cost in the fourth quarter of 2019 was at 2.92% decreased from 3.07% last year, due to a reducing trend of market interest rate and the replacement long term loan with lower rate.

Net Profit

For the fiscal year of 2019, consolidated total operating income was reported at 5,144 million baht, showing an increase of 710 million baht or 16% y-y. The Company recorded net profit attributed to owners of the parent of 3,975 million baht, showing an increase of 469 million baht or 13% y-y, and earning per share was 15.90 baht. For the fourth quarter of 2019, the Company had consolidated operating income of 1,369 million baht, an increase of 329 million baht or 32% y-y and 7% q-q. The Company reported net profit attributed to owners of the parent of 1,056 million baht, an increase of 239 million baht or 29% y-y, 6% q-q and earning per share was 4.22 baht. Key drivers were mainly from an increase in total sales, core business revenues and bad debt selling. The bad debt recovery and total portfolio continued to grow, together with 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	February 29, 2020	Change
Unit : Million Baht			%YoY
Accounts Receivable	82,512	90,232	9%
Total Assets	87,121	95,396	9%
Total Borrowing	63,741	69,437	9%
Total Liabilities	68,733	74,271	8%
Total Equites	18,388	21,125	15%
ROE	20.8%	20.5%	-1%
ROA	4.2%	4.4%	5%
D/E Ratio	3.8	3.6	-5%

Total Assets

As of February 29, 2020, consolidated total assets were 95,396 million baht, an increase of 8,275 million baht or 9% from 87,121 million baht as of February 28, 2019. The main assets were attributed to the portfolio of net accounts receivable which shared 90% of total assets.

- Accounts Receivable

As of February 29, 2020, the Company has gross accounts receivable of 90,232 million baht, increasing 9% from as of February 28, 2019. This can be categorized by business type as follows: credit card receivable of 36,892 million baht, increasing by 1% y-y; loans receivable of 47,988 million baht, increasing by 10% y-y; hire purchase receivable of 5,186 million baht, increasing by 145% y-y which largely came from the expansion of auto loan portfolio, and others receivable of 165 million baht.

- Allowance for doubtful accounts

As of February 29, 2020, the Company provided allowance for doubtful accounts of 3,962 million baht or 4.39% 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 3.67%, increased from 2.77% at the end of last year. The coverage ratio of allowance for doubtful accounts to accounts receivable overdue more than 3 months (NPLs) was 119% at February 29, 2020.

Liabilities

The consolidated liabilities of the Company as of February 29, 2020, totaled 74,271 million baht, an increase of 5,538 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 9% from the end of last year to 69,437 million baht. The portion of long-term borrowings was 43,509 million baht or represented 63% 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. However, the Company has unused unsecured revolving credit facilities as of February 29, 2020 totaling 3,000 million baht and unused uncommitted facilities with foreign banks totaling 9.9 billion baht, which is enough to drive the Company's operation. The Company also has the debentures totaling 4,600 million baht that will mature in 2020, which the Company can issue the replacement debentures or use a working capital to repay those debentures.

Shareholders' Equity

As of February 29, 2020, total shareholders' equity amounted to 21,125 million baht, an increase of 2,737 million baht or 15% over the end of fiscal year 2018. Consequently, book value as of February 29, 2020 was 82.9 baht per share, increased from 72.2 baht per share as of February 28, 2019.

Debt to Equity ratio as of February 29, 2020 at 3.6 times decreased from 3.8 times at the end of 2018. Return on Equity (ROE) and Return on Asset (ROA) for the fiscal year 2019 were 20.5% and 4.4%, respectively.

In addition, the Board of Directors' meeting has approved the final dividend payment for the fiscal year ended February 29, 2020, at the rate of 2.55 baht per share, which will be paid after being approved from AGM on June 24, 2020. The Company already paid the interim dividend of 2.45 baht per share on November 4, 2019. The total dividend for FY2019 will be 5.00 baht per share or 31.4% payout ratio. The Company has set the record date on May 14, 2020 to determine the shareholders entitled to receive dividends (XD will be posted on May 13, 2020).