

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 28, 2021, 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 28, 2021, 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.

Emphasis of Matter

We draw attention to following Note 3.2 and Note 3.6 to the financial statements, AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries have adopted the new accounting policies regarding the financial instruments which is in accordance with group of Financial Instruments Standards and Thai Financial Reporting Standard No. 16 “Leases”, and recognized the cumulative effect of initially applying such Standards as an adjustment to the beginning balance of retained earnings and other component of shareholders’ equity as at March 1, 2020, which are presented in the aforementioned notes to the financial statements, to be in accordance with the new accounting policies. Our opinion is not modified in respect of this matter.

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 expected credit loss</p> <p>The allowance for expected credit loss of trade receivables is considered to be a key audit matter as there are management’s judgment and assumptions applied to the calculation including forward economic looking and post model adjustments.</p> <p>Starting from January 1, 2020, the Group and the Company have adopted Thai Financial Reporting Standard No.9 - Financial Instruments (“TFRS9”). This standard requires the Group and the Company to recognize impairment loss based on expected credit loss.</p> <p>The Group and the Company calculated allowance for expected credit loss on trade receivables based on forward-looking information basis by calculating on a probability-weighted credit losses with respective risk of expected cash shortfalls either based on credit events arising in the 12 months from the reporting date or based on credit events arising over the lifetime of the financial instrument; depending on the significant increase in credit risk (“SICR”) since initial recognition.</p>	<p>Key audit procedures included</p> <ul style="list-style-type: none"> • Assessed the adjustments made to the opening balances on January 1, 2020, resulted from the initial application of TFRS 9 • Reviewed management written policies, which were collaborated from the Group and the Company management’s experts, and procedures to derive the allowance for expected credit loss estimate. Determining whether the policies and procedures for the estimation are incorporate with the requirements of TFRS 9 and properly approved by the appropriate level of management • Obtained an understanding of the Group’s and Company’s design of internal controls over significant input data used in the calculation of allowance for expected credit loss, and calculation of allowance for expected credit loss

Key Audit Matters	Audit Responses
<p>Allowance for expected credit loss (continued)</p> <p>The post model adjustment may also be recorded by the Group and the Company using credit expert assumptions and judgment where the inputs, assumptions and/or modelling techniques do not capture all relevant risk factors in respect to the current economic conditions and market circumstances.</p> <p>Accounting policy for the allowance for expected credit loss and detail of allowance for expected credit loss were disclosed in Note 3.2.2 and Note 5 to the financial statements, respectively.</p>	<ul style="list-style-type: none"> • Evaluated the design and implementation and performed operating effectiveness testing of key internal controls over significant input data used in the calculation of allowance for expected credit loss, and calculation of allowance for expected credit loss • 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 • Involved our internal specialists to assess the model documentation. This included assessing the appropriateness of model design, assumptions, inputs, formulas used and post model adjustments, we tested the data used in the ECL calculation by reconciling to source systems • Evaluating relevant inputs and assumptions used by management in each stage of the expected credit loss calculation by considering whether the inputs and assumption appear reasonable, considering the historical loss experience and adjust this for current observable data and considering the relationship between those assumptions and forecast of reasonable and supportable future economic conditions • Tested calculation of allowance for expected credit loss for a sample of models. • Performed analysis of the Group’s and the Company’s allowance for expected credit loss 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, but does not include the consolidated and separate financial statements and our auditor's report thereon, 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 management and those charged with governance for correction of the misstatement.

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 Group and 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 and the Company'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 27, 2021

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 28, 2021

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	5,105,168	4,993,557	3,157,192	3,462,432
Trade and other current receivables					
Trade receivables	5	73,525,984	81,307,074	69,057,533	78,306,046
Other receivables	6	826,607	942,044	672,233	833,052
Seller loan in Special Purpose Vehicle for securitization	11	-	-	219,626	235,074
Receivables per currency swap contracts	21	-	151,056	-	151,056
Other current assets		103,068	75,641	45,098	39,028
Total Current Assets		<u>79,560,827</u>	<u>87,469,372</u>	<u>73,151,682</u>	<u>83,026,688</u>
NON-CURRENT ASSETS					
Trade receivables	5	2,313,359	4,962,730	1,776,888	2,085,728
Fixed deposits at banks under obligations	7	38,968	39,283	-	-
Long-term loan to a subsidiary	8	-	-	119,494	125,858
Investment in an associate	9.1 and 9.2	-	25,431	-	16,819
Investments in subsidiaries	9.2	-	-	1,206,645	1,206,645
Investment in equity securities designated at fair value through profit or loss	10.1	5,062	-	5,062	-
Long-term investments in related companies	10.2	-	19,072	-	19,072
Subordinated lendings	12.1	-	-	84,074	84,074
Leasehold improvement and equipment	13	793,455	885,495	643,783	725,045
Right-of-use assets	14	665,748	-	536,182	-
Intangible assets other than goodwill	15	696,556	646,481	530,380	511,377
Receivables per currency swap contracts	21	-	210,072	-	210,072
Deferred tax assets	16	3,122,541	926,002	3,023,235	896,851
Other non-current assets	17	191,986	211,673	173,279	181,773
Total Non-current Assets		<u>7,827,675</u>	<u>7,926,239</u>	<u>8,099,022</u>	<u>6,063,314</u>
TOTAL ASSETS		<u><u>87,388,502</u></u>	<u><u>95,395,611</u></u>	<u><u>81,250,704</u></u>	<u><u>89,090,002</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 28, 2021

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	18	10,379,071	7,211,233	7,860,000	3,400,056
Trade and other current payables					
Trade payables		556,154	522,088	413,004	371,514
Other payables	19	1,384,259	1,690,368	1,266,934	1,568,907
Current portion of long-term liabilities					
Long-term borrowings	21	3,839,423	11,445,597	3,839,423	10,960,296
Long-term debentures	23	3,156,040	7,298,784	3,156,040	7,298,784
Derivative liabilities	24	1,287,130	-	1,287,130	-
Lease liabilities	20	453,755	-	384,411	-
Current income tax payable		629,183	655,977	558,537	587,564
Payables per currency swap contracts	21 and 23	-	526,253	-	526,253
Other current liabilities		332,850	256,469	359,400	301,981
Total Current Liabilities		<u>22,017,865</u>	<u>29,606,769</u>	<u>19,124,879</u>	<u>25,015,355</u>
NON-CURRENT LIABILITIES					
Long-term borrowings	21	38,982,198	33,814,014	36,807,309	33,116,395
Long-term borrowings under securitization project	22	-	-	1,489,622	1,662,552
Long-term debentures	23	6,269,361	9,489,182	4,796,279	8,016,100
Derivative liabilities	24	1,858,375	-	1,858,375	-
Lease liabilities	20	235,874	-	174,184	-
Payables per currency swap contracts	21 and 23	-	867,341	-	867,341
Subordinated borrowings	12.2	84,074	84,074	-	-
Provisions for employee benefit	25	478,346	393,419	431,606	352,594
Other non-current liabilities		82,745	15,665	70,039	291
Total Non-current Liabilities		<u>47,990,973</u>	<u>44,663,695</u>	<u>45,627,414</u>	<u>44,015,273</u>
TOTAL LIABILITIES		<u>70,008,838</u>	<u>74,270,464</u>	<u>64,752,293</u>	<u>69,030,628</u>

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT FEBRUARY 28, 2021

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY	26				
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	27	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		12,471,581	15,302,773	11,790,986	14,456,374
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY	29				
Exchange differences on translating					
financial statements of foreign operations		(121,225)	(177,795)	-	-
Cumulative loss on cash flow hedges		(895,575)	-	(895,575)	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		17,057,781	20,727,978	16,498,411	20,059,374
NON-CONTROLLING INTERESTS		321,883	397,169	-	-
TOTAL SHAREHOLDERS' EQUITY		17,379,664	21,125,147	16,498,411	20,059,374
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		87,388,502	95,395,611	81,250,704	89,090,002

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 28, 2021

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
REVENUES					
Credit card income		6,451,389	7,528,918	6,686,090	7,821,814
Loan income	30	11,121,325	12,065,440	10,635,684	11,576,150
Hire-purchase income		1,014,306	754,005	307,083	170,422
Other income					
Bad debt recovery		1,229,668	1,038,355	1,229,668	1,038,355
Gain on sale of written-off receivables	41.4 and 41.5	249,699	577,133	249,699	577,133
Collection service income		245,827	267,670	772	1,125
Commission income		510,225	531,266	-	-
Dividend income		-	-	218,800	264,180
Others		479,463	538,165	127,061	152,963
Total other income		<u>2,714,882</u>	<u>2,952,589</u>	<u>1,826,000</u>	<u>2,033,756</u>
Total Revenues		<u>21,301,902</u>	<u>23,300,952</u>	<u>19,454,857</u>	<u>21,602,142</u>
EXPENSES					
Operating and administrative expenses		8,143,639	9,091,228	7,079,068	8,056,550
Directors and managements' remuneration	31	159,049	171,906	96,855	101,516
Loss on revaluation of investment		14,009	-	14,009	-
Loss on impairment of investment	9.2	-	-	16,819	-
Loss on sale of investment		-	539	-	539
Loss on sale and write-off of leasehold improvement and equipment		6,802	25,393	6,780	24,866
Total Expenses	33	<u>8,323,499</u>	<u>9,289,066</u>	<u>7,213,531</u>	<u>8,183,471</u>
Finance costs		2,096,253	2,209,172	2,111,178	2,354,969
Expected credit loss		6,209,605	-	5,442,340	-
Bad debts and doubtful accounts	5.4	-	6,646,262	-	6,352,815
Share of loss of an associate using equity method	9.1	25,431	12,665	-	-
PROFIT BEFORE INCOME TAX		<u>4,647,114</u>	<u>5,143,787</u>	<u>4,687,808</u>	<u>4,710,887</u>
INCOME TAX EXPENSE	34	967,080	1,023,556	876,858	866,138
PROFIT FOR THE YEAR		<u>3,680,034</u>	<u>4,120,231</u>	<u>3,810,950</u>	<u>3,844,749</u>
PROFIT (LOSS) ATTRIBUTABLE TO :					
Owners of the parent		3,689,643	3,975,357	3,810,950	3,844,749
Non-controlling interests		(9,609)	144,874	-	-
		<u>3,680,034</u>	<u>4,120,231</u>	<u>3,810,950</u>	<u>3,844,749</u>
BASIC EARNINGS PER SHARE	BAHT	14.76	15.90	15.24	15.38
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 28, 2021

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
Profit for the year		3,680,034	4,120,231	3,810,950	3,844,749
Other comprehensive income (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	29	56,570	(54,717)	-	-
- Non-controlling interests		1,385	(40,235)	-	-
Gain on cash flow hedges	29	451,273	-	451,273	-
Components of other comprehensive income that will not be reclassified to profit or loss					
Loss on remeasurements of defined benefit plans		(21,857)	(46,594)	(22,530)	(43,656)
Other comprehensive income (loss) for the year, net of tax		487,371	(141,546)	428,743	(43,656)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,167,405</u>	<u>3,978,685</u>	<u>4,239,693</u>	<u>3,801,093</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO :					
Owners of the parent		4,175,629	3,874,046	4,239,693	3,801,093
Non-controlling interests		(8,224)	104,639	-	-
		<u>4,167,405</u>	<u>3,978,685</u>	<u>4,239,693</u>	<u>3,801,093</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 28, 2021

UNIT : THOUSAND BAHT

Notes	CONSOLIDATED FINANCIAL STATEMENTS								Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Unappropriated	Other components of shareholders' equity		Total owners of the parent		
			Appropriated	Reserve for business expansion		Exchange differences on translating financial statements of foreign operations	Cumulative loss on cash flow hedges			
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	26.1	-	-	-	(587,497)	-	-	(587,497)	(41,906)	(629,403)
Interim dividend paid	26.2	-	-	-	(612,498)	-	-	(612,498)	-	(612,498)
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	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>15,302,773</u>	<u>(177,795)</u>	<u>-</u>	<u>20,727,978</u>	<u>397,169</u>	<u>21,125,147</u>
Beginning balance as at March 1, 2020 as previously reported	250,000	478,000	25,000	4,850,000	15,302,773	(177,795)	-	20,727,978	397,169	21,125,147
Impacts from the adoption of TFRS 9 and TFRS 16	2.6	-	-	-	(5,398,985)	-	(1,346,848)	(6,745,833)	(42,668)	(6,788,501)
Beginning balance as at March 1, 2020 after adjustment	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>9,903,788</u>	<u>(177,795)</u>	<u>(1,346,848)</u>	<u>13,982,145</u>	<u>354,501</u>	<u>14,336,646</u>
Changes during the year										
Dividend paid	26.3	-	-	-	(637,495)	-	-	(637,495)	(24,394)	(661,889)
Interim dividend paid	26.4	-	-	-	(462,498)	-	-	(462,498)	-	(462,498)
Profit (loss) for the year		-	-	-	3,689,643	-	-	3,689,643	(9,609)	3,680,034
Other comprehensive income (loss)		-	-	-	(21,857)	56,570	451,273	485,986	1,385	487,371
Ending balance as at February 28, 2021	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>12,471,581</u>	<u>(121,225)</u>	<u>(895,575)</u>	<u>17,057,781</u>	<u>321,883</u>	<u>17,379,664</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 (CONTINUED)
FOR THE YEAR ENDED FEBRUARY 28, 2021

UNIT : THOUSAND BAHT

	Notes	SEPARATE FINANCIAL STATEMENTS					Other components of shareholders' equity Cumulative loss on cash flow hedges	Total shareholders' equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings Appropriated Legal reserve	Retained earnings Unappropriated Reserve for business expansion			
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	26.1	-	-	-	-	(587,497)	-	(587,497)
Interim dividend paid	26.2	-	-	-	-	(612,498)	-	(612,498)
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>-</u>	<u>20,059,374</u>
Beginning balance as at March 1, 2020 as previously reported		250,000	478,000	25,000	4,850,000	14,456,374	-	20,059,374
Impacts from the adoption of TFRS 9 and TFRS 16	2.6	-	-	-	-	(5,353,815)	(1,346,848)	(6,700,663)
Beginning balance as at March 1, 2020 after adjustment		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>9,102,559</u>	<u>(1,346,848)</u>	<u>13,358,711</u>
Changes during the year								
Dividend paid	26.3	-	-	-	-	(637,495)	-	(637,495)
Interim dividend paid	26.4	-	-	-	-	(462,498)	-	(462,498)
Profit for the year		-	-	-	-	3,810,950	-	3,810,950
Other comprehensive income (loss)		-	-	-	-	(22,530)	451,273	428,743
Ending balance as at February 28, 2021		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>11,790,986</u>	<u>(895,575)</u>	<u>16,498,411</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 28, 2021

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax		4,647,114	5,143,787	4,687,808	4,710,887
Adjustments for:					
Share of loss of an associate using equity method		25,431	12,665	-	-
Expected credit loss		6,209,605	-	5,442,340	-
Bad debts and doubtful accounts		-	6,646,262	-	6,352,815
Loss on revaluation of investment		14,009	-	14,009	-
Loss on impairment of investment		-	-	16,819	-
Loss on sale of investment		-	539	-	539
Depreciation of leasehold improvement and equipment and right-of-use assets		940,360	373,519	785,823	303,585
Amortization of intangible assets other than goodwill		182,510	175,051	142,890	146,640
Loss on sale of leasehold improvement and equipment		5,690	5,005	6,041	5,136
Loss on write-off of leasehold improvement and equipment		1,112	658	739	-
Loss on write-off of intangible assets		-	19,730	-	19,730
Employee benefit expense		113,546	66,635	95,995	58,141
Gain on sales of written-off receivables		(249,699)	(577,133)	(249,699)	(577,133)
Unrealized (gain) loss on exchange rate		-	-	6,364	(5,252)
Gain on discount received from lease agreements		(1,184)	-	(1,184)	-
(Gain) loss on cancellation of lease agreements		(3,491)	-	1,832	-
Interest income		(13,315,045)	(13,497,307)	(11,512,460)	(11,761,469)
Dividend income		-	-	(218,800)	(264,180)
Finance costs		2,096,253	2,209,172	2,111,178	2,354,969
		<u>666,211</u>	<u>578,583</u>	<u>1,329,695</u>	<u>1,344,408</u>
Operating assets (increase) decrease					
Trade and other current receivables		(2,485,630)	(14,213,892)	(2,755,020)	(11,695,831)
Other current assets		(27,963)	70,652	(6,070)	(1,210)
Other non-current assets		19,841	(6,181)	8,494	(1,553)
Operating liabilities increase (decrease)					
Trade and other current payables		38,290	194,956	51,096	275,413
Other current liabilities		74,360	23,716	57,419	15,796
Other non-current liabilities		65,298	3,183	68,026	(166)
Cash paid for operations		(1,649,593)	(13,348,983)	(1,246,360)	(10,063,143)
Proceeds from interest income		13,162,835	14,058,434	11,353,180	12,370,667
Dividend received		-	-	218,800	264,180
Finance costs paid		(2,240,671)	(2,158,141)	(2,260,260)	(2,305,158)
Income tax paid		(1,320,019)	(1,127,227)	(1,182,495)	(998,462)
Employee benefits paid		(55,940)	(2,778)	(45,144)	(2,650)
Net cash provided by (used in) operating activities		<u>7,896,612</u>	<u>(2,578,695)</u>	<u>6,837,721</u>	<u>(734,566)</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED FEBRUARY 28, 2021

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for fixed deposits at banks under obligations		(17)	(14)	-	-
Cash paid for long-term loan to a subsidiary		-	-	-	(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	(317,907)	(302,132)	(257,443)	(219,310)
Proceeds from sale of leasehold improvement and equipment		1,364	1,108	569	604
Cash paid for purchase of intangible assets other than goodwill	4.2	(220,327)	(345,267)	(149,944)	(291,431)
Proceeds from sale of intangible assets other than goodwill		1,166	31	-	-
Net cash used in investing activities		<u>(535,721)</u>	<u>(645,814)</u>	<u>(406,818)</u>	<u>(808,917)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from bank overdrafts and short-term borrowings from financial institutions	4.4	85,656,321	111,745,474	74,910,000	93,143,937
Cash repayments for bank overdrafts and short-term borrowings from financial institutions	4.4	(82,645,247)	(111,466,769)	(70,450,056)	(94,434,044)
Cash paid for liabilities under finance lease agreements	4.4	-	(924)	-	-
Proceeds from long-term borrowings	4.4	10,237,763	10,373,864	8,704,388	9,659,825
Cash repayments for long-term borrowings	4.4	(11,515,044)	(6,484,366)	(11,014,350)	(6,391,230)
Proceeds from long-term borrowings under securitization project	4.4	-	-	542,151	933,373
Cash repayments for long-term borrowings under securitization project	4.4	-	-	(542,151)	(798,373)
Proceeds from long-term debentures issuance	4.4	-	3,800,000	-	3,800,000
Cash repayments for long-term debentures	4.4	(7,627,700)	(2,971,860)	(7,627,700)	(2,971,860)
Cash paid for lease liabilities	4.4	(565,394)	-	(475,574)	-
Proceeds from sales of written-off receivables		317,142	412,585	317,142	471,698
Cash paid for dividend		(659,118)	(627,664)	(637,495)	(587,497)
Cash paid for interim dividend		(462,498)	(612,498)	(462,498)	(612,498)
Net cash provided by (used in) financing activities		<u>(7,263,775)</u>	<u>4,167,842</u>	<u>(6,736,143)</u>	<u>2,213,331</u>
Net increase (decrease) in cash and cash equivalents		97,116	943,333	(305,240)	669,848
Exchange differences on translating foreign currencies		14,495	(17,828)	-	-
Cash and cash equivalents at the beginning of the year		4,993,557	4,068,052	3,462,432	2,792,584
Cash and cash equivalents at the end of the year	4.1	<u>5,105,168</u>	<u>4,993,557</u>	<u>3,157,192</u>	<u>3,462,432</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 28, 2021**

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. Subsequently, on October 6, 2020, the Company has registered another objective which is to conduct life and non-life insurance brokerage business.

As at February 28, 2021 and February 29, 2020, the Company has head office and branches totaling 103 locations and 105 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.

Coronavirus Disease 2019 Pandemic

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

In order to mitigate the impacts, the Company provides supports to customers as the relief measures for loan to affected customer from the impact of COVID-19, following the Bank of Thailand's relief measures 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.

Nevertheless, the Group's and Company's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

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 "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2020 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 Statement (No. 3) B.E. 2562" dated December 26, 2019.

2.3 The consolidated financial statements for the years ended February 28, 2021 and February 29, 2020 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.

Loss 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 losses 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 equity 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 28, 2021 and February 29, 2020, the subsidiaries included in the consolidated financial statements are as follows:

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings (%)	
				2021	2020
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 "Consolidated Financial Statements".

For the years ended February 28, 2021 and February 29, 2020, 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 (%)	
				2021	2020
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 28, 2021	February 29, 2020
Subsidiaries		
ACS Servicing (Thailand) Company Limited	December 31, 2020	December 31, 2019
AEON Insurance Service (Thailand) Company Limited	December 31, 2020	December 31, 2019
AEON Specialized Bank (Cambodia) Plc.	December 31, 2020	December 31, 2019
AEON Microfinance (Myanmar) Company Limited	December 31, 2020	December 31, 2019
AEON Leasing Service (Lao) Company Limited	December 31, 2020	December 31, 2019
Associate		
ACS Trading Vietnam Company Limited	December 31, 2020	December 31, 2019

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, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's and the Company's financial statements. However, the new standards which become effective for fiscal year and involve changes to key principles are summarized below:

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.

In the current year, the Group and the Company have initially applied Group of Financial Instruments Standards. The Group and the Company have elected to recognize the cumulative effect of initially adopting these group of Financial Instruments Standards as an adjustment to the opening balance of retained earnings and other component of shareholders' equity of the reporting period.

Accounting policies resulting from application of such group of Financial Instruments Standards are disclosed in Note 3.2.

The tables below show information relating to financial assets and financial liabilities that have been reclassified, re-measurement and change in provision for impairment of financial assets, as a result of the transition to Thai Financial Reporting Standards No. 9 “Financial instruments” (“TFRS 9”).

CONSOLIDATED FINANCIAL STATEMENTS							
	Previous classification and measurement	Book value as at February 29, 2020 Baht '000	Reclassification Baht '000	ECL Baht '000	Re-measurement Baht '000	Book value as at March 1, 2020 Baht '000	New classification and measurement
ASSETS							
Cash and cash equivalents	Cost method	4,993,557	-	-	-	4,993,557	Amortized cost
Trade receivables	Cost method	86,269,804	-	(7,065,429)	-	79,204,375	Amortized cost
Other receivables	Cost method	942,044	-	-	-	942,044	Amortized cost
Receivables per currency swap contracts	Fair value	361,128	(361,128)	-	-	-	-
Derivative assets	-	-	361,128	-	(223,074)	138,054	FVTPL
Fixed deposits at banks under obligations	Cost method	39,283	-	-	-	39,283	Amortized cost
Other long-term investments	Cost method	19,072	(19,072)	-	-	-	-
Investments in equity securities designated at fair value through profit or loss	-	-	19,072	-	-	19,072	FVTPL
LIABILITIES							
Bank overdrafts and short-term borrowings	Cost method	7,211,233	-	-	-	7,211,233	Amortized cost
Trade payables	Cost method	522,088	-	-	-	522,088	Amortized cost
Other payables	Cost method	1,206,694	-	-	-	1,206,694	Amortized cost
Interest payable	Cost method	501,135	(94,711)	-	-	406,424	Amortized cost
Long-term borrowings	Cost method	45,259,611	-	-	-	45,259,611	Amortized cost
Long-term debentures	Cost method	16,787,966	-	-	-	16,787,966	Amortized cost
Subordinated borrowings	Cost method	84,074	-	-	-	84,074	Amortized cost
Payables per currency swap contracts	Fair value	1,393,594	(1,393,594)	-	-	-	-
Derivative liabilities	-	-	1,488,305	-	1,460,485	2,948,790	FVTPL

SEPARATE FINANCIAL STATEMENTS							
	Previous classification and measurement	Book value as at February 29, 2020 Baht '000	Reclassification Baht '000	ECL Baht '000	Re-measurement Baht '000	Book value as at March 1, 2020 Baht '000	New classification and measurement
ASSETS							
Cash and cash equivalents	Cost method	3,462,432	-	-	-	3,462,432	Amortized cost
Trade receivables	Cost method	80,391,774	-	(6,965,076)	-	73,426,698	Amortized cost
Other receivables	Cost method	833,052	-	-	-	833,052	Amortized cost
Seller loan in SPV	Cost method	235,074	-	-	-	235,074	Amortized cost
Receivables per currency swap contracts	Fair value	361,128	(361,128)	-	-	-	-
Long-term loan to a subsidiary	Cost method	125,858	-	-	-	125,858	Amortized cost
Derivative assets	-	-	361,128	-	(223,074)	138,054	FVTPL
Subordinated lendings	Cost method	84,074	-	-	-	84,074	Amortized cost
Other long-term investments	Cost method	19,072	(19,072)	-	-	-	-
Investments in equity securities designated at fair value through profit or loss	-	-	19,072	-	-	19,072	FVTPL
LIABILITIES							
Bank overdraft and short-term borrowings	Cost method	3,400,056	-	-	-	3,400,056	Amortized cost
Trade payables	Cost method	371,514	-	-	-	371,514	Amortized cost
Other payables	Cost method	1,090,504	-	-	-	1,090,504	Amortized cost
Interest payable	Cost method	495,559	(94,711)	-	-	400,848	Amortized cost
Long-term borrowings	Cost method	44,076,691	-	-	-	44,076,691	Amortized cost
Long-term borrowings under securitization project	Cost method	1,662,552	-	-	-	1,662,552	Amortized cost
Long-term debentures	Cost method	15,314,884	-	-	-	15,314,884	Amortized cost
Payables per currency swap contracts	Fair value	1,393,594	(1,393,594)	-	-	-	-
Derivative liabilities	-	-	1,488,305	-	1,460,485	2,948,790	FVTPL

Thai Financial Reporting Standard No. 16 “Leases” (“IFRS 16”)

The Group’s and the Company’s management have applied IFRS 16 using the cumulative catch-up approach which:

- Requires the Group and the Company to recognize the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not restate the comparative information and continue to present comparative information under TAS 17 and IFRIC 4.

Accounting policies resulting from application of IFRS 16 are disclosed in Note 3.6.

The Group and the Company recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17 and IFRIC 4. The right-of-use assets were measured at their carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate at the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group’s and the Company’s incremental borrowing rates. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the consolidated and separate statement of financial position on March 1, 2020 are 2.31% per annum and 1.88% per annum, respectively.

The following table shows the operating lease commitments disclosed applying TAS 17 at February 29, 2020, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

	CONSOLIDATED FINANCIAL STATEMENTS Baht '000	SEPARATE FINANCIAL STATEMENTS Baht '000
Operating lease commitments as at February 29, 2020	1,013,754	766,947
Effect of discounting the above amounts	<u>(76,022)</u>	<u>(5,386)</u>
Lease liabilities recognized as at March 1, 2020	<u>937,732</u>	<u>761,561</u>

Total impacts of initial application of TFRS 9 and TFRS 16 on the statement of financial position

The tables below show the amount of adjustment for each financial statement line item affected by the application of TFRS 9 and TFRS 16 for the current year.

Impacts to assets, liabilities and shareholders' equity as at March 1, 2020

CONSOLIDATED FINANCIAL STATEMENTS				
	Before adjustments Baht '000	TFRS 9 adjustments Baht '000	TFRS 16 adjustments Baht '000	After adjustments Baht '000
Trade receivables	86,269,804	(7,065,429)	-	79,204,375
Receivables per currency swap contracts	361,128	(361,128)	-	-
Other long-term investments	19,072	(19,072)	-	-
Investments in equity securities designated at fair value through profit or loss	-	19,072	-	19,072
Right-of-use assets	-	-	921,398	921,398
Derivative assets	-	138,054	-	138,054
Deferred tax assets	926,002	1,974,055	2,766	2,902,823
Interest payable	(501,135)	94,711	-	(406,424)
Payables per currency swap contracts	(1,393,594)	1,393,594	-	-
Derivative liabilities	-	(2,948,790)	-	(2,948,790)
Lease liabilities	-	-	(937,732)	(937,732)
Total impact on net assets		<u>(6,774,933)</u>	<u>(13,568)</u>	
Retained earnings	(15,302,773)	5,387,355	11,630	(9,903,788)
Other components of shareholders' equity	-	1,346,848	-	1,346,848
Non-controlling interests	(397,169)	40,730	1,938	(354,501)
Total impact on shareholders' equity		<u>6,774,933</u>	<u>13,568</u>	

	SEPARATE FINANCIAL STATEMENTS			
	Before adjustments Baht '000	TFRS 9 adjustments Baht '000	TFRS 16 adjustments Baht '000	After adjustments Baht '000
Trade receivables	80,391,774	(6,965,076)	-	73,426,698
Receivables per currency swap contracts	361,128	(361,128)	-	-
Other long-term investments	19,072	(19,072)	-	-
Investments in equity securities designated at fair value through profit or loss	-	19,072	-	19,072
Right-of-use assets	-	-	752,573	752,573
Derivative assets	-	138,054	-	138,054
Deferred tax assets	896,851	1,955,162	1,798	2,853,811
Interest payable	(495,559)	94,711	-	(400,848)
Payables per currency swap contracts	(1,393,594)	1,393,594	-	-
Derivative liabilities	-	(2,948,790)	-	(2,948,790)
Lease liabilities	-	-	(761,561)	(761,561)
Total impact on net assets		<u>(6,693,473)</u>	<u>(7,190)</u>	
Retained earnings	(14,456,374)	5,346,625	7,190	(9,102,559)
Other components of shareholders' equity	-	<u>1,346,848</u>	-	1,346,848
Total impact on shareholders' equity		<u>6,693,473</u>	<u>7,190</u>	

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on April 22, 2020, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should comply with all relief measures specified in this accounting treatment guidance.

For the year ended February 28, 2021, the Group and the Company have adhered to such Accounting Treatment Guidance regarding staging of receivables. For receivables that are credit impaired but still have the potential for repayment, the Group and the Company will classify the receivables as low credit risk (Stage 1) if the debtor has been repaying for 3 consecutive months or 3 payment periods, whichever is longer.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period, may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group and Company have elected to apply the following temporary relief measures:

- Not to account for any reduction in lease payments provided by lessors as a lease modification, but to reduce lease liabilities that come due in each period in proportion to the reduction and to reverse depreciation from right-of-use assets and interest on lease liabilities recognized in each period in proportion to the reduction. Any differences is then to be recognized in profit or loss.

2.7 Thai Financial Reporting Standard No. 16 “Leases”

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

The Group and the Company have elected to apply the above Rent Concessions to the financial statements for the year ended February 28, 2021.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, 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, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

The revised Thai Financial Reporting Standard No. 3 "Business Combinations" clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No. 1 "Presentation of Financial Statements" and Thai Accounting Standards No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors", including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No. 9 "Financial Instruments" and Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosures".

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 significant impact 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 comprise cash on hands, all deposits at financial institutions with the original maturities of three months or less and highly liquid short-term investments, excluding cash at banks used as collateral.

3.2 Financial instruments

Policies applicable from March 1, 2020

Financial assets and financial liabilities are recognized in the Group's consolidated statement of financial position and the Company's separate statement of financial position when the Group and the Company become a party to the contractual provisions of the instrument.

3.2.1 Classification and Measurement

3.2.1.1 Classification

Financial Assets

The Group and Company classify financial assets, depending on the business model of the Group and Company on financial assets and type of contractual cash flow of financial assets. The Group and Company classify financial assets as subsequently measured by amortized cost and fair value through profit or loss.

Financial Liabilities

The Group and Company classify all financial liabilities as subsequently measured by amortized cost.

3.2.1.2 Initial measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.2.1.3 Subsequent measurement

Financial Assets

The Group and Company are subsequently measure financial assets as below;

(1) Subsequent measurement by Amortized cost

Financial assets are measured subsequently at amortized cost. The Group and Company using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash inflow (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the amortized cost of a financial asset.

(2) Subsequent measurement by Fair value through profit or loss (“FVTPL”)

Financial assets that do not meet the criteria for being measured at amortized cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see Note 3.2.3 Hedge accounting). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset.

Financial Liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

3.2.1.4 Derecognition of Financial instruments

Financial Assets

The Group and the Company derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognize its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities

The Group and the Company derecognize financial liabilities when, and only when, the obligation of the Group and the Company are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.2.2 Impairment of financial assets

The Group and the Company recognize allowance for expected credit loss on trade receivables using ECL model. The amount of expect credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company recognize lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit loss that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

The Group and the Company compare the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Despite the foregoing, the Group and the Company assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if;

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group and the Company regularly monitor the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group and the Company consider constituting an event of default for internal credit risk management policies and historical experience indicates that financial assets are defaulted by considering information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, in full.

Irrespective of the above analysis, the Group and the Company consider that default has occurred when the past due is more than 90 days unless the Group and the Company have supportable information to demonstrate that a more lagging default criterion is reasonable.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes the consideration of following events;

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group and the Company write off trade receivables when there is information indicating that the debtor is in financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of loans to customers, when the days past due are over the period that the Management determined, whichever occurs sooner. Loans to customers written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(v) Measurement and recognition of expected credit loss

The measurement of expected credit loss is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

For financial assets, exposure at default is represented by the asset's gross carrying amount at the reporting date.

For loan commitments, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's and the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

If the Group and the Company have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group and the Company measure the loss allowance at an amount equal to 12-month ECL at the current reporting date.

3.2.3 Hedge accounting

The Group and the Company designate certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges.

At the inception of the hedge relationship, the Group and the Company document the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group and the Company document whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements;

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationships; and
- The hedged ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group and the Company actually hedge and the quantity of the hedging instrument that the Group and the Company actually use to hedge that quantity of hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the "Finance costs" line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

This transfer does not affect other comprehensive income. Furthermore, if the Group and the Company expect that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Policies applicable prior to March 1, 2020

(1) 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.

(2) 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").

Bad debt recovery is recognized as other income in profit or loss when payment is received.

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

(3) Derivatives

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.

(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.

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

(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.

(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).

3.3 Investment in subsidiaries and an associate

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.

3.4 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.

3.5 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.

3.6 Leases

The Group and the Company have applied TFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows.

The Group and the Company as lessee

Policies applicable from March 1, 2020

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognize a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated and separate statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated and separate statements of financial position.

The Group and the Company apply TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Leasehold improvement and equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Operating and Administrative expenses” in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group and the Company have used this practical expedient.

Policies applicable prior to March 1, 2020

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.

3.7 Assets and liabilities in foreign currencies

3.7.1 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.

3.7.2 Translation of foreign currency transaction

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized as profit or loss in statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities for which settlement is neither planned nor likely to occur in a foreseeable future is treated as part of net investment in the foreign operation of the Group. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation shall be recognized in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g. consolidated financial statements when the foreign operation is a subsidiary), such exchange differences shall be recognized initially in other comprehensive income and reclassified from equity to profit or loss on a disposal of the net investment.

3.7.3 Translation of financial statements of foreign operations

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognized as other comprehensive income in the statement of other comprehensive income and presented as the foreign currency translation reserve in equity until a disposal of the investment.

3.8 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.

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.

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

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.

3.9 Provisions for employee benefits

3.9.1 Provident Fund

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

3.9.2 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.

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

3.10 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.

3.11 Income tax expense

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

3.11.1 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.

3.11.2 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.

3.12 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.

3.13 Fair value measurements

In estimating the fair value of an asset or a liability, the Group and the Company take 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.

3.14 Critical accounting judgments and key sources of estimation uncertainty

3.14.1 Use of management's judgments in applying accounting policies

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Group and the Company's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Critical judgments in applying the Group's and the Company's accounting policies are as follows:

(1) Allowance for expected credit loss / Allowance for doubtful accounts

From March 1, 2020

Management is required to use judgment in estimation in determining the allowance for expected credit loss of loans to customers and accrued interest receivables, together with loan commitments. The calculation of allowance for expected credit loss of the Group and the Company are based on the criteria of assessing if there has been an increase in credit risk, the development of complex expected credit loss model with a series of underlying assumptions, including the choice of inputs the forecasted macroeconomic variables in the model. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

Prior to March 1, 2020

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 25.

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.

(4) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of Note 3.2). The Group and the Company determine the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Group and the Company monitor financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's and the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(5) Significant increase in credit risk

As explained in Note 3.2.2, expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group and the Company take into account qualitative and quantitative reasonable and supportable forward looking information.

3.14.2 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 38.6.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at February 28, 2021 and February 29, 2020, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000
Cash	981,293	1,313,506	946,970	1,273,999
Deposits at bank - call deposits	4,123,875	3,680,051	2,210,222	2,188,433
Cash and cash equivalents	<u>5,105,168</u>	<u>4,993,557</u>	<u>3,157,192</u>	<u>3,462,432</u>

4.2 Cash paid for purchase of leasehold improvement and equipment and intangible assets other than goodwill for the years ended February 28, 2021 and February 29, 2020, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended February 28, 2021 Baht '000	For the years ended February 29, 2020 Baht '000	For the years ended February 28, 2021 Baht '000	For the years ended February 29, 2020 Baht '000
Leasehold improvement and equipment Liabilities recorded - brought forward	43,432	28,930	40,514	28,673
Purchase of leasehold improvement and equipment	300,314	316,634	240,825	231,151
	<u>343,746</u>	<u>345,564</u>	<u>281,339</u>	<u>259,824</u>
<u>Less</u> Cash paid for purchase of leasehold improvement and equipment	<u>(317,907)</u>	<u>(302,132)</u>	<u>(257,443)</u>	<u>(219,310)</u>
Liabilities recorded - carried forward	<u>25,839</u>	<u>43,432</u>	<u>23,896</u>	<u>40,514</u>
Intangible assets other than goodwill Liabilities recorded - brought forward	1,572	28,891	1,571	28,890
Purchase of intangible assets other than goodwill	232,276	317,948	161,893	264,112
	<u>233,848</u>	<u>346,839</u>	<u>163,464</u>	<u>293,002</u>
<u>Less</u> Cash paid for purchase of intangible assets other than goodwill	<u>(220,327)</u>	<u>(345,267)</u>	<u>(149,944)</u>	<u>(291,431)</u>
Liabilities recorded - carried forward	<u>13,521</u>	<u>1,572</u>	<u>13,520</u>	<u>1,571</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 years ended February 28, 2021 and February 29, 2020 such sale was settled by decreasing the Seller loan Account of Baht 15.45 million and Baht 35.15 million, respectively, instead of cash receipt.

4.4 Changes in liabilities arising from financing activities for the years ended February 28, 2021 and February 29, 2020 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS						
	Beginning balance as at March 1, 2020 Baht '000	Financing cash flows		Non-cash changes		Ending balance as at February 28, 2021 Baht '000	
		Cash received	Cash paid	Differences on translating foreign currencies	Others		
		Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
	Bank overdrafts and short-term borrowings from financial institutions	7,211,233	85,656,321	(82,645,247)	156,764	-	10,379,071
	Long-term borrowings	45,259,611	10,237,763	(11,515,044)	(1,149,797)	(10,912)	42,821,621
Long-term debentures	16,787,966	-	(7,627,700)	255,842	9,293	9,425,401	
Lease liabilities	937,732	-	(565,394)	262	317,029	689,629	

	CONSOLIDATED FINANCIAL STATEMENTS						
	Beginning balance as at March 1, 2019 Baht '000	Financing cash flows		Non-cash changes		Ending balance as at February 29, 2020 Baht '000	
		Cash received	Cash paid	Differences on translating foreign currencies	Others		
		Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
	Bank overdrafts and short-term borrowings from financial institutions	7,100,203	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	

	SEPARATE FINANCIAL STATEMENTS						
	Beginning balance as at March 1, 2020 Baht '000	Financing cash flows		Non-cash changes		Ending balance as at February 28, 2021 Baht '000	
		Cash received	Cash paid	Differences on translating foreign currencies	Others		
		Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
	Bank overdrafts and short-term borrowings from financial institutions	3,400,056	74,910,000	(70,450,056)	-	-	7,860,000
	Long-term borrowings	44,076,691	8,704,388	(11,014,350)	(1,109,085)	(10,912)	40,646,732
Long-term borrowings under securitization project	1,662,552	542,151	(542,151)	-	(172,930)	1,489,622	
Long-term debentures	15,314,884	-	(7,627,700)	255,842	9,293	7,952,319	
Lease liabilities	761,561	-	(475,575)	-	272,609	558,595	

	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	
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

5. TRADE RECEIVABLES

5.1 Trade receivables as at February 28, 2021 and February 29, 2020, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		
	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000	
	Trade receivables	85,942,940	88,568,952	80,236,602	82,553,942
	Trade receivables under securitization project - ATS Rabbit Special Purpose Vehicle Company Limited	1,489,622	1,662,552	1,489,622	1,662,552
Total	87,432,562	90,231,504	81,726,224	84,216,494	
Less Allowance for expected credit loss Allowance for doubtful accounts	(11,593,219)	-	(10,891,803)	-	
Total trade receivables	75,839,343	86,269,804	70,834,421	80,391,774	

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 TFRS 9, 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 28, 2021 and February 29, 2020, details of trade receivables are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at February 28, 2021			As at February 29, 2020		
	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	3,567,397	3,145,028	6,712,425	1,527,316	4,546,011	6,073,327
<u>Less</u> Unearned financing income	(341,085)	(523,657)	(864,742)	(315,130)	(572,138)	(887,268)
	<u>3,226,312</u>	<u>2,621,371</u>	<u>5,847,683</u>	<u>1,212,186</u>	<u>3,973,873</u>	<u>5,186,059</u>
<u>Less</u> Allowance for expected credit loss	(392,025)	(480,357)	(872,382)	-	-	-
Allowance for doubtful accounts	-	-	-	(196,086)	-	(196,086)
Hire-purchase and accrued interest receivable - net	<u>2,834,287</u>	<u>2,141,014</u>	<u>4,975,301</u>	<u>1,016,100</u>	<u>3,973,873</u>	<u>4,989,973</u>
Loans receivable						
Loans and accrued interest receivable	45,123,605	208,290	45,331,895	46,998,764	988,857	47,987,621
<u>Less</u> Allowance for expected credit loss	(6,634,437)	(35,945)	(6,670,382)	-	-	-
Allowance for doubtful accounts	-	-	-	(2,343,755)	-	(2,343,755)
Loans and accrued interest receivable - net	<u>38,489,168</u>	<u>172,345</u>	<u>38,661,513</u>	<u>44,655,009</u>	<u>988,857</u>	<u>45,643,866</u>
Credit card receivable						
Credit card and accrued interest receivable	36,088,232	-	36,088,232	36,892,388	-	36,892,388
<u>Less</u> Allowance for expected credit loss	(4,050,362)	-	(4,050,362)	-	-	-
Allowance for doubtful accounts	-	-	-	(1,421,531)	-	(1,421,531)
Credit card and accrued interest receivable - net	<u>32,037,870</u>	<u>-</u>	<u>32,037,870</u>	<u>35,470,857</u>	<u>-</u>	<u>35,470,857</u>
Receivable from rendering the collection service						
Receivable from rendering the collection service	9,054	-	9,054	11,786	-	11,786
<u>Less</u> Allowance for expected credit loss	(93)	-	(93)	-	-	-
Allowance for doubtful accounts	-	-	-	(328)	-	(328)
Receivable from rendering the collection service - net	<u>8,961</u>	<u>-</u>	<u>8,961</u>	<u>11,458</u>	<u>-</u>	<u>11,458</u>
Receivable from insurance broker business	<u>155,698</u>	<u>-</u>	<u>155,698</u>	<u>153,650</u>	<u>-</u>	<u>153,650</u>
Total trade receivables	<u>73,525,984</u>	<u>2,313,359</u>	<u>75,839,343</u>	<u>81,307,074</u>	<u>4,962,730</u>	<u>86,269,804</u>

SEPARATE FINANCIAL STATEMENTS						
As at February 28, 2021			As at February 29, 2020			
	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	1,006,603	2,745,539	3,752,142	822,445	2,657,434	3,479,879
<u>Less</u> Unearned financing income	(341,085)	(523,656)	(864,741)	(315,130)	(572,138)	(887,268)
	665,518	2,221,883	2,887,401	507,315	2,085,296	2,592,611
<u>Less</u> Allowance for expected credit loss	(155,003)	(445,001)	(600,004)	-	-	-
Allowance for doubtful accounts	-	-	-	(127,587)	-	(127,587)
Hire-purchase and accrued interest receivable - net	510,515	1,776,882	2,287,397	379,728	2,085,296	2,465,024
Loans receivable						
Loans and accrued interest receivable	43,385,259	7	43,385,266	45,289,937	432	45,290,369
<u>Less</u> Allowance for expected credit loss	(6,276,675)	(1)	(6,276,676)	-	-	-
Allowance for doubtful accounts	-	-	-	(2,289,386)	-	(2,289,386)
Loans and accrued interest receivable - net	37,108,584	6	37,108,590	43,000,551	432	43,000,983
Credit card receivable						
Credit card and accrued interest receivable	35,453,557	-	35,453,557	36,333,514	-	36,333,514
<u>Less</u> Allowance for expected credit loss	(4,015,123)	-	(4,015,123)	-	-	-
Allowance for doubtful accounts	-	-	-	(1,407,747)	-	(1,407,747)
Credit card and accrued interest receivable - net	31,438,434	-	31,438,434	34,925,767	-	34,925,767
Total trade receivables	69,057,533	1,776,888	70,834,421	78,306,046	2,085,728	80,391,774

5.2 Quality of assets

Staging analysis for trade receivables as at February 28, 2021 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS			
As at February 28, 2021			
	Trade receivables Baht '000	Allowance for expected credit loss Baht '000	Total trade receivables Baht '000
Low credit risk receivables (Stage 1)	79,446,594	(5,969,416)	73,477,178
Significant increase in credit risk receivables (Stage 2)	2,943,938	(1,578,830)	1,365,108
Default receivables in credit risk (Stage 3)	5,042,030	(4,044,973)	997,057
Total	87,432,562	(11,593,219)	75,839,343

SEPARATE FINANCIAL STATEMENTS

As at February 28, 2021

	Trade receivables Baht '000	Allowance for expected credit loss Baht '000	Total trade receivables Baht '000
Low credit risk receivables (Stage 1)	74,480,252	(5,813,007)	68,667,245
Significant increase in credit risk receivables (Stage 2)	2,715,548	(1,489,812)	1,225,736
Default receivables in credit risk (Stage 3)	4,530,424	(3,588,984)	941,440
Total	81,726,224	(10,891,803)	70,834,421

Trade receivables as at February 28, 2021 and February 29, 2020 classified by aging are as follows:

CONSOLIDATED FINANCIAL STATEMENTS

	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000
Less than 3 months	82,848,008	86,915,769
3 months up	4,584,554	3,315,735
Total	87,432,562	90,231,504
<u>Less</u> Allowance for expected credit loss	(11,593,219)	-
Allowance for doubtful accounts	-	(3,961,700)
Total trade receivables	75,839,343	86,269,804

SEPARATE FINANCIAL STATEMENTS

	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000
Less than 3 months	77,653,277	81,017,602
3 months up	4,072,947	3,198,892
Total	81,726,224	84,216,494
<u>Less</u> Allowance for expected credit loss	(10,891,803)	-
Allowance for doubtful accounts	-	(3,824,720)
Total trade receivables	70,834,421	80,391,774

5.3 Troubled debt restructuring

For the years ended February 28, 2021 and February 29, 2020, the Company had recognized interest income on restructured debts totaling Baht 146.23 million and Baht 152.41 million, respectively.

The Group and the Company had outstanding balances of credit card receivable, hire-purchase receivable and loans receivable as at February 28, 2021 and February 29, 2020, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at February 28, 2021		As at February 29, 2020	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured trade receivables	29,220	1,158,699	35,896	1,432,794
Non-restructured trade receivables	3,777,597	86,109,111	3,292,108	88,633,274
Total	<u>3,806,817</u>	<u>87,267,810</u>	<u>3,328,004</u>	<u>90,066,068</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at February 28, 2021		As at February 29, 2020	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured trade receivables	29,205	1,157,487	35,873	1,429,317
Non-restructured trade receivables	2,730,569	80,568,737	2,885,335	82,787,177
Total	<u>2,759,774</u>	<u>81,726,224</u>	<u>2,921,208</u>	<u>84,216,494</u>

As at February 28, 2021 and February 29, 2020, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

5.4 Allowance for expected credit loss / Allowance for doubtful accounts

Allowance for expected credit loss as at February 28, 2021 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			Allowance for doubtful accounts	Total
	Allowance for expected credit loss				
	Low credit risk receivables (Stage 1)	Significant increase in credit risk receivables (Stage 2)	Default receivables in credit risk (Stage 3)		
Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
Balance as at February 29, 2020	-	-	-	3,961,700	3,961,700
Impact of adoption of TFRS 9	6,160,129	1,410,298	3,456,701	(3,961,700)	7,065,428
Balance as at March 1, 2020	6,160,129	1,410,298	3,456,701	-	11,027,128
Changes in staging*	2,468,243	(5,329,962)	2,861,719	-	-
Changes in risk parameters	(2,603,336)	5,519,822	2,346,370	-	5,262,856
New financial assets originated or purchased	258,512	-	989,553	-	1,248,065
Financial assets derecognized	(318,120)	(17,554)	453,702	-	118,028
Written-off bad debts	-	-	(6,048,861)	-	(6,048,861)
Foreign exchange rate differences	3,988	(3,774)	(14,211)	-	(13,997)
Balance as at February 28, 2021	5,969,416	1,578,830	4,044,973	-	11,593,219

* The Group and the Company have adhered to the Accounting Guidance in staging (see Note 2.6)

	SEPARATE FINANCIAL STATEMENTS			Total	
	Allowance for expected credit loss				Allowance for doubtful accounts
	Low credit risk receivables (Stage 1)	Significant increase in credit risk receivables (Stage 2)	Default receivables in credit risk (Stage 3)		
Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
Balance as at February 29, 2020	-	-	-	3,824,720	3,824,720
Impact of adoption of TFRS 9	5,959,780	1,403,865	3,426,151	(3,824,720)	6,965,076
Balance as at March 1, 2020	5,959,780	1,403,865	3,426,151	-	10,789,796
Changes in staging*	2,473,919	(5,313,083)	2,839,164	-	-
Changes in risk parameters	(2,603,336)	5,519,822	2,346,370	-	5,262,856
New financial assets originated or purchased	258,512	-	989,553	-	1,248,065
Financial assets derecognized	(275,868)	(120,792)	(94,184)	-	(490,844)
Written-off bad debts	-	-	(5,918,070)	-	(5,918,070)
Balance as at February 28, 2021	5,813,007	1,489,812	3,588,984	-	10,891,803

* The Company has adhered to the Accounting Guidance in staging (see Note 2.6)

Allowance for doubtful accounts as at February 29, 2020 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS 2020 Baht '000	SEPARATE FINANCIAL STATEMENTS 2020 Baht '000
Beginning balance	2,879,968	2,806,641
Bad debts and doubtful accounts	6,646,262	6,352,815
Gain on devaluation of long-term borrowings under securitization project	-	160,116
Written-off bad debts	(5,564,530)	(5,494,852)
Ending balance	3,961,700	3,824,720

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 as follows:

	ATS Rabbit*	
	As at	As at
	February 28,	February 29,
	2021	2020
	Baht '000	Baht '000
Statements of financial position		
Total assets	1,960,327	1,974,821
Total liabilities	1,960,283	1,974,777
Total shareholders' equity	44	44
	For the years ended	
	February 28,	February 29,
	2021	2020
	Baht '000	Baht '000
Statements of profit or loss		
Total revenues	408,574	466,850
Bad debts and doubtful accounts	157,482	160,116
Other operating expenses	108,262	117,493
Interest expenses	81,844	84,476
Income tax expense	12,197	20,953
Net profit	48,789	83,812

* 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 28, 2021 and February 29, 2020, transactions relating to the transfers of financial assets under the securitization projects are summarized as follows:

	For the years ended	
	February 28, 2021	February 29, 2020
	Million Baht	Million Baht
Transfers of future receivables and additional receivables (at book value)		
- Loans receivable (ATS Rabbit)	527	969
	<u>527</u>	<u>969</u>
Cash collection on behalf of Special Purpose Vehicles		
- Loans receivable (ATS Rabbit)	960	1,265
	<u>960</u>	<u>1,265</u>
Servicing income on cash collection from Special Purpose Vehicles		
- Loans receivable (ATS Rabbit)	86	93
	<u>86</u>	<u>93</u>

6. OTHER RECEIVABLES

Other receivables as at February 28, 2021 and February 29, 2020 consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Other receivables - related companies (see Note 35.2.1)	5,930	2,231	92,910	83,623
Other receivables - other companies	507,223	641,719	443,637	615,233
Prepaid expenses	169,018	172,254	135,668	133,690
Advance payment	60,742	37,432	5	506
Accrued income	25,638	21,177	13	-
Refundable corporate income tax	58,056	67,231	-	-
Total	<u>826,607</u>	<u>942,044</u>	<u>672,233</u>	<u>833,052</u>

7. FIXED DEPOSITS AT BANKS UNDER OBLIGATIONS

As at February 28, 2021 and February 29, 2020, 4 subsidiaries have fixed deposits at banks under obligations as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at February 28, 2021	As at February 29, 2020
	Baht '000	Baht '000
Pledge as collateral for bank's letters of guarantee issued for debt collection service	1,600	1,583
Reserve in accordance with insurance regulations	3,000	3,000
Legal reserve of the foreign subsidiaries	34,368	34,700
Total	38,968	39,283

8. LONG-TERM LOAN TO A SUBSIDIARY

As at February 28, 2021, the Company has long-term loan to a subsidiary amounting to USD 4 million or equivalent to Baht 119.49 million which will be due in 2026. The loan is unsecured and has interest rate at 8.5% per annum (see Note 35.2.1). (As at February 29, 2020: USD 4 million or equivalent to Baht 125.86 million).

9. INVESTMENTS IN AN ASSOCIATE AND SUBSIDIARIES

Investments in an associate and subsidiaries consist of:

9.1 Investment in an associate in the consolidated financial statements

As at February 28, 2021 and February 29, 2020, the Company had investment in 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 28, 2021		As at February 29, 2020	
			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	16,819.3	-	16,819.3	25,430.9
<u>Less Allowance for impairment of investment</u>			<u>(16,819.3)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investment in an associate			-	-	16,819.3	25,430.9

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 28, 2021 Baht '000	As at February 29, 2020 Baht '000
Total assets	<u>1,377,135</u>	<u>1,763,267</u>
Total liabilities	<u>1,523,235</u>	<u>1,678,237</u>
	For the years ended February 28, 2021 Baht '000	February 29, 2020 Baht '000
Total revenues	<u>453,155</u>	<u>553,628</u>
Net loss	<u>243,809</u>	<u>63,325</u>

The consolidated statements of profit or loss for the years ended February 28, 2021 and February 29, 2020, recognized share of loss of an associate using equity method according to the proportion of the ownership interest in an associate as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended	
	February 28, 2021 Baht '000	February 29, 2020 Baht '000
Share of loss of an associate using equity method		
ACS Trading Vietnam Company Limited	<u>25,431</u>	<u>12,665</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 28, 2021 and February 29, 2020, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended	
	February 28, 2021 Baht '000	February 29, 2020 Baht '000
Net assets of an associate	(146,100)	85,030
Proportion of the ownership interest in an associate (%)	<u>20.00</u>	<u>20.00</u>
	(29,220)	17,006
Goodwill	-	-
Other adjustments		
- Exchange differences on acquisition date	<u>29,220</u>	<u>8,425</u>
Carrying amount of the investment in an associate	<u>-</u>	<u>25,431</u>

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

As at February 28, 2021 and February 29, 2020, 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 28, 2021		As at February 29, 2020	
	Ownership %	Cost method Baht '000	Ownership %	Cost method Baht '000
Investment in an associate and subsidiaries				
Investment in an associate (see Note 35.1)				
ACS Trading Vietnam Company Limited	20.00	16,819.3	20.00	16,819.3
<u>Less</u> Allowance for impairment of investment		(16,819.3)		-
Total investment in an associate		<u>-</u>		<u>16,819.3</u>
Investments in subsidiaries (see Note 35.1)				
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	455,403.3
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>1,206,645.3</u>
Total investments in an associate and subsidiaries		<u>1,206,645.3</u>		<u>1,223,464.6</u>

10. INVESTMENTS IN EQUITY SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS AND LONG-TERM INVESTMENTS IN RELATED COMPANIES

10.1 Investments in equity securities designated at fair value through profit or loss as at February 28, 2021 consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS As at February 28, 2021	
	Ownership %	Fair Value Baht '000
	AEON (Thailand) Co., Ltd. ⁽¹⁾	3.82
PT. AEON Credit Service Indonesia ⁽²⁾	2.59	5,062
Total		<u>5,062</u>

⁽¹⁾ 340,000 shares of Baht 100 each, Baht 25 called up

⁽²⁾ 173 shares of IDR 30 million each, par value of IDR 30 million, fully paid

10.2 Long-term investments in related companies as at February 29, 2020 consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS As at February 29, 2020	
	Ownership %	Cost Baht '000
	AEON (Thailand) Co., Ltd. ⁽¹⁾	3.82
PT. AEON Credit Service Indonesia ⁽²⁾	2.59	19,072
		<u>27,572</u>
<u>Less</u> Allowance for impairment of investment		(8,500)
Total		<u>19,072</u>

⁽¹⁾ 340,000 shares of Baht 100 each, Baht 25 called up

⁽²⁾ 173 shares of IDR 30 million each, par value of IDR 30 million, fully paid

11. SELLER LOAN IN SPECIAL PURPOSE VEHICLE FOR SECURITIZATION

Seller loan in Special Purpose Vehicle for securitization as at February 28, 2021 and February 29, 2020, are as follows:

	SEPARATE FINANCIAL STATEMENTS	
	As at	As at
	February 28, 2021	February 29, 2020
	Baht '000	Baht '000
Seller loan in Special Purpose Vehicle for securitization (see Note 35.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	219,626	235,074
Total Seller loan in Special Purpose Vehicle for securitization	<u>219,626</u>	<u>235,074</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.

12. SUBORDINATED LENDINGS AND SUBORDINATED BORROWINGS

12.1 Subordinated lendings to Special Purpose Vehicle as at February 28, 2021 and February 29, 2020, are as follows:

	SEPARATE FINANCIAL STATEMENTS	
	As at	As at
	February 28, 2021	February 29, 2020
	Baht '000	Baht '000
Subordinated lendings (see Note 35.2.1)		
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.

12.2 Subordinated borrowings of Special Purpose Vehicle as at February 28, 2021 and February 29, 2020, are as follows:

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at	As at
	February 28, 2021	February 29, 2020
	Baht '000	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.

13. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at February 28, 2021 and February 29, 2020 consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Cost	3,995,970	4,019,359	3,227,719	3,276,104
<u>Less Accumulated depreciation</u>	<u>(3,202,515)</u>	<u>(3,133,864)</u>	<u>(2,583,936)</u>	<u>(2,551,059)</u>
Total leasehold improvement and equipment	<u>793,455</u>	<u>885,495</u>	<u>643,783</u>	<u>725,045</u>

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

CONSOLIDATED FINANCIAL STATEMENTS						
	Beginning balance as at March 1, 2020	Additions	Disposals/ Write-off	Transfer in (out)	Exchange differences on translating financial statements	Ending balance as at February 28, 2021
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost						
Leasehold improvement	1,169,940	103,673	(93,025)	26,638	1,872	1,209,098
Furniture and office equipment	2,841,310	100,948	(235,057)	8,981	2,507	2,718,689
Assets under installation	8,109	95,693	-	(35,619)	-	68,183
Total	4,019,359	300,314	(328,082)	-	4,379	3,995,970
Accumulated depreciation						
Leasehold improvement	(912,689)	(152,760)	88,961	-	(766)	(977,254)
Furniture and office equipment	(2,221,175)	(234,615)	230,954	-	(425)	(2,225,261)
Total	(3,133,864)	(387,375)	319,915	-	(1,191)	(3,202,515)
Total leasehold improvement and equipment	885,495					793,455

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

	SEPARATE FINANCIAL STATEMENTS				
	Beginning balance as at March 1, 2020	Additions	Disposals/ Write-off	Transfer in (out)	Ending balance as at February 28, 2021
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Leasehold improvement	955,494	83,856	(76,750)	26,637	989,237
Furniture and office equipment	2,312,502	61,276	(212,460)	8,982	2,170,300
Assets under installation	8,108	95,693	-	(35,619)	68,182
Total	<u>3,276,104</u>	<u>240,825</u>	<u>(289,210)</u>	<u>-</u>	<u>3,227,719</u>
Accumulated depreciation					
Leasehold improvement	(761,176)	(124,212)	72,912	-	(812,476)
Furniture and office equipment	(1,789,883)	(190,526)	208,949	-	(1,771,460)
Total	<u>(2,551,059)</u>	<u>(314,738)</u>	<u>281,861</u>	<u>-</u>	<u>(2,583,936)</u>
Total leasehold improvement and equipment	<u>725,045</u>				<u>643,783</u>

	SEPARATE FINANCIAL STATEMENTS				
	Beginning balance as at March 1, 2019	Additions	Disposals/ Write-off	Transfer in (out)	Ending balance as at February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000	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	<u>3,126,972</u>	<u>231,151</u>	<u>(82,019)</u>	<u>-</u>	<u>3,276,104</u>
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	<u>(2,323,753)</u>	<u>(303,585)</u>	<u>76,279</u>	<u>-</u>	<u>(2,551,059)</u>
Total leasehold improvement and equipment	<u>803,219</u>				<u>725,045</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Depreciation	<u>387,375</u>	<u>373,519</u>	<u>314,738</u>	<u>303,585</u>

As at February 28, 2021 and February 29, 2020, costs of fully depreciated leasehold improvement and equipment still in use are as follows:

	As at February 28, 2021	As at February 29, 2020
	Baht '000	Baht '000
Consolidated financial statements	<u>2,095,632</u>	<u>2,154,179</u>
Separate financial statements	<u>1,869,209</u>	<u>1,923,894</u>

14. RIGHT-OF-USE ASSETS

The movements of right-of-use assets during the year are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	Beginning balance as at March 1, 2020 Baht '000	Impacts from the adoption of TFRS 16 (see Note 2.6) Baht '000	Additions Baht '000	Disposal Baht '000	Exchange difference on translating financial statements Baht '000	Ending balance as at February 28, 2021 Baht '000
Cost						
Buildings	-	1,423,358	254,145	(353,831)	(864)	1,322,808
Office equipment	-	183,374	49,612	(66,329)	-	166,657
Vehicles	-	129,952	25,440	(94,363)	706	61,735
Total	-	1,736,684	329,197	(514,523)	(158)	1,551,200
Accumulated depreciation	-					
Buildings	-	(616,369)	(490,374)	355,985	940	(749,818)
Office equipment	-	(111,533)	(49,062)	58,568	-	(102,027)
Vehicles	-	(87,384)	(37,577)	91,876	(522)	(33,607)
Total	-	(815,286)	(577,013)	506,429	418	(885,452)
Total right-of-use assets	-					665,748
	SEPARATE FINANCIAL STATEMENTS					
	Beginning balance as at March 1, 2020 Baht '000	Impacts from the adoption of TFRS 16 (see Note 2.6) Baht '000	Additions Baht '000	Disposal Baht '000		Ending balance as at February 28, 2021 Baht '000
Cost						
Buildings	-	1,176,108	218,325	(339,272)		1,055,161
Office equipment	-	181,830	41,004	(66,328)		156,506
Vehicles	-	107,383	20,860	(75,162)		53,081
Total	-	1,465,321	280,189	(480,762)		1,264,748
Accumulated depreciation						
Buildings	-	(530,196)	(417,196)	343,680		(603,712)
Office equipment	-	(110,560)	(43,553)	58,569		(95,544)
Vehicles	-	(71,992)	(34,364)	77,046		(29,310)
Total	-	(712,748)	(495,113)	479,295		(728,566)
Total right-of-use assets	-					536,182
	CONSOLIDATED FINANCIAL STATEMENTS Baht '000			SEPARATE FINANCIAL STATEMENTS Baht '000		
Depreciation for the year ended February 28, 2021			552,985			471,085

For consolidated and separate financial statements, the Group and the Company entered into several lease agreements, including buildings, office equipment and vehicles, for periods from less than one year to five years.

The maturity analysis of lease liabilities is presented in Note 20.

	CONSOLIDATED FINANCIAL STATEMENTS For the year ended February 28, 2021 Baht '000	SEPARATE FINANCIAL STATEMENTS For the year ended February 28, 2021 Baht '000
Amounts recognized in profit or loss		
Depreciation on right-of-use assets	552,985	471,085
Interest expense on lease liabilities	24,626	17,268
Gain on discount received from lease agreements	(1,184)	(1,184)
(Gain) loss on cancellation of lease agreements	(3,491)	1,832

For the year ended February 28, 2021, the total cash outflow for leases amounting to Baht 565.39 million and Baht 475.57 million in consolidated and separate financial statements, respectively.

15. INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets other than goodwill as at February 28, 2021 and February 29, 2020 consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000
Cost	4,362,545	4,131,463	3,828,764	3,666,871
Less Accumulated amortization	(3,665,989)	(3,484,982)	(3,298,384)	(3,155,494)
Total intangible assets other than goodwill	696,556	646,481	530,380	511,377

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

	CONSOLIDATED FINANCIAL STATEMENTS					Ending balance as at February 28, 2021 Baht '000
	Beginning balance as at March 1, 2020 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000	Exchange differences on translating financial statements Baht '000	
Cost						
Computer software	4,034,699	101,287	(2,136)	141,247	942	4,276,039
Computer software under installation	96,764	130,989	-	(141,247)	-	86,506
Total	4,131,463	232,276	(2,136)	-	942	4,362,545
Accumulated amortization						
Computer software	(3,484,982)	(182,510)	970	-	533	(3,665,989)
Total intangible assets other than goodwill	646,481					696,556

CONSOLIDATED FINANCIAL STATEMENTS						
	Beginning balance as at March 1, 2019 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 29, 2020 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	<u>3,896,184</u>	<u>317,948</u>	<u>(70,885)</u>	<u>-</u>	<u>(11,784)</u>	<u>4,131,463</u>
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 other than goodwill	<u>529,593</u>					<u>646,481</u>

SEPARATE FINANCIAL STATEMENTS					
	Beginning balance as at March 1, 2020 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000	Ending balance as at February 28, 2021 Baht '000
Cost					
Computer software	3,582,139	53,132	-	106,566	3,741,837
Computer software under installation	84,732	108,761	-	(106,566)	86,927
Total	<u>3,666,871</u>	<u>161,893</u>	<u>-</u>	<u>-</u>	<u>3,828,764</u>
Accumulated amortization					
Computer software	(3,155,494)	(142,890)	-	-	(3,298,384)
Total intangible assets other than goodwill	<u>511,377</u>				<u>530,380</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	<u>3,467,402</u>	<u>264,112</u>	<u>(64,643)</u>	<u>-</u>	<u>3,666,871</u>
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 other than goodwill	<u>413,635</u>				<u>511,377</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Amortization	182,510	175,051	142,890	146,640

As at February 28, 2021 and February 29, 2020, costs of fully amortized computer software still in use are as follows:

	As at February 28, 2021	As at February 29, 2020
	Baht '000	Baht '000
Consolidated financial statements	3,209,771	3,036,742
Separate financial statements	2,983,422	2,821,384

16. DEFERRED TAX ASSETS

Deferred tax assets as at February 28, 2021 and February 29, 2020 consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for expected credit loss	2,256,201	775,917	2,178,361	764,944
Non-accrual of interest income	1,815	73,406	-	71,755
Cumulative loss from fair value measurement				
investments in equity securities	4,502	-	4,502	-
Allowance for impairment of investment and assets	12,400	6,900	15,764	6,900
Provisions for employee benefit	95,669	78,683	86,320	70,518
Deferred revenue from customer loyalty programs	81,899	59,373	81,899	59,373
Lease agreements	11,998	-	11,550	-
Derivatives	629,102	-	629,102	-
Others	29,109	24,878	15,737	16,516
	3,122,695	1,019,157	3,023,235	990,006
Deferred tax liabilities				
Unrealized loss on exchange rate of				
currency swap contracts	-	93,155	-	93,155
Lease agreements	154	-	-	-
	154	93,155	-	93,155
Deferred tax assets	3,122,541	926,002	3,023,235	896,851

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

	CONSOLIDATED FINANCIAL STATEMENTS				
	Beginning	Impacts from	Items as	Items as	Ending
	balance	the adoption of	recognized in	recognized	balance
	as at	TFRS 9 and	profit or loss	in other	as at
	March 1, 2020	TFRS 16		comprehensive	February 28, 2021
Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
Deferred tax assets					
Allowance for expected credit loss	775,917	1,411,908	68,376	-	2,256,201
Non-accrual of interest income	73,406	-	(71,591)	-	1,815
Cumulative loss from fair value measurement					
investments in equity securities	-	1,700	2,802	-	4,502
Allowance for impairment of investment and assets	6,900	(1,700)	7,200	-	12,400
Provisions for employee benefit	78,683	-	11,522	5,464	95,669
Deferred revenue from customer loyalty programs	59,373	-	22,526	-	81,899
Lease agreements	-	1,798	10,200	-	11,998
Derivatives	-	562,147	179,772	(112,817)	629,102
Others	24,878	-	4,231	-	29,109
	<u>1,019,157</u>	<u>1,975,853</u>	<u>235,038</u>	<u>(107,353)</u>	<u>3,122,695</u>
Deferred tax liabilities					
Unrealized loss on exchange rate of					
currency swap contracts	93,155	-	(93,155)	-	-
Lease agreements	-	(968)	1,122	-	154
	<u>93,155</u>	<u>(968)</u>	<u>(92,033)</u>	<u>-</u>	<u>154</u>
Deferred tax assets	<u>926,002</u>	<u>1,976,821</u>	<u>327,071</u>	<u>(107,353)</u>	<u>3,122,541</u>

	CONSOLIDATED FINANCIAL STATEMENTS			
	Beginning	Items as	Items as	Ending
	balance	recognized in	recognized	balance
	as at	profit	in other	as at
	March 1, 2019	or loss	comprehensive	February 29, 2020
Baht '000	Baht '000	Baht '000	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 benefit	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>

	SEPARATE FINANCIAL STATEMENTS				Ending balance as at February 28, 2021 Baht '000
	Beginning balance as at March 1, 2020 Baht '000	Impacts from the adoption of TFRS 9 and TFRS 16 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	
Deferred tax assets					
Allowance for expected credit loss	764,944	1,393,015	20,402	-	2,178,361
Non-accrual of interest income	71,755	-	(71,755)	-	-
Cumulative loss from fair value measurement investments in equity securities	-	1,700	2,802	-	4,502
Allowance for impairment of investment and assets	6,900	(1,700)	10,564	-	15,764
Provisions for employee benefit	70,518	-	10,171	5,631	86,320
Deferred revenue from customer loyalty programs	59,373	-	22,526	-	81,899
Lease agreements	-	1,798	9,752	-	11,550
Derivatives	-	562,147	179,772	(112,817)	629,102
Others	16,516	-	(779)	-	15,737
	<u>990,006</u>	<u>1,956,960</u>	<u>183,455</u>	<u>(107,186)</u>	<u>3,023,235</u>
Deferred tax liabilities					
Unrealized loss on exchange rate of currency swap contracts	93,155	-	(93,155)	-	-
Deferred tax assets	<u>896,851</u>	<u>1,956,960</u>	<u>276,610</u>	<u>(107,186)</u>	<u>3,023,235</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 benefit	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
Deferred tax assets	<u>600,052</u>	<u>285,886</u>	<u>10,913</u>	<u>896,851</u>

17. OTHER NON-CURRENT ASSETS

Other non-current assets as at February 28, 2021 and February 29, 2020 consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000
Deposits	191,986	211,673	173,279	181,773
Total	191,986	211,673	173,279	181,773

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

Bank overdrafts and short-term borrowings from financial institutions as at February 28, 2021 and February 29, 2020, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at February 28, 2021		As at February 29, 2020	
	Interest rate p.a. (%)	Baht '000	Interest rate p.a. (%)	Baht '000
Overdrafts in THB currency	-	-	1.45	56
Short-term borrowings in THB currency	0.69 - 0.97	7,860,000	1.17 - 2.40	3,400,000
Short-term borrowings in USD currency	0.96 - 6.12	1,367,909	2.52 - 6.05	2,229,481
Short-term borrowings in LAK currency	5.70 - 6.60	266,339	6.50 - 6.70	280,013
Short-term borrowings in MMK currency	10.00 - 13.00	884,823	11.70 - 12.50	1,301,683
Total		10,379,071		7,211,233

	SEPARATE FINANCIAL STATEMENTS			
	As at February 28, 2021		As at February 29, 2020	
	Interest rate p.a. (%)	Baht '000	Interest rate p.a. (%)	Baht '000
Overdrafts in THB currency	-	-	1.45	56
Short-term borrowings in THB currency	0.69 - 0.97	7,860,000	1.17 - 2.40	3,400,000
Total		7,860,000		3,400,056

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.

19. OTHER PAYABLES

Other payables as at February 28, 2021 and February 29, 2020 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000
Other payable - related companies (see Note 35.2.1)	67,737	73,967	163,774	277,431
Other payable - other companies	359,229	425,034	182,734	125,696
Deferred revenue from customer loyalty programs	413,018	300,500	409,496	296,863
Interest payable	194,491	501,135	188,652	495,559
Accrued expenses	349,784	389,732	322,278	373,358
Total	<u>1,384,259</u>	<u>1,690,368</u>	<u>1,266,934</u>	<u>1,568,907</u>

20. LEASE LIABILITIES

Lease liabilities as at February 28, 2021 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
	As at February 28, 2021 Baht '000	As at February 28, 2021 Baht '000
Maturity analysis:		
Year 1	466,032	394,070
Year 2	187,610	144,480
Year 3	54,285	32,675
Year 4	3,699	-
Year 5	1,248	-
	<u>712,874</u>	<u>571,225</u>
<u>Less</u> Deferred interest	<u>(23,245)</u>	<u>(12,630)</u>
Total	<u><u>689,629</u></u>	<u><u>558,595</u></u>
Classification analysis:		
Current	453,755	384,411
Non-current	235,874	174,184
Total	<u><u>689,629</u></u>	<u><u>558,595</u></u>

21. LONG-TERM BORROWINGS

As at February 28, 2021 and February 29, 2020, the Company entered into various long-term borrowings agreements in THB and foreign currencies as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
As at February 28, 2021				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2021 - 2025	2.06 - 4.84	20,642.05	5,931,678
Borrowings in USD currency	2021 - 2027	1.85 - 8.50	699.29	21,127,341
Borrowings in THB currency	2021 - 2024	1.54 - 3.29	15,800.00	15,800,000
<u>Less</u> Borrowings issuance cost				(37,398)
				42,821,621
<u>Less</u> Current portion of long-term borrowings				(3,839,423)
Total long-term borrowings				<u>38,982,198</u>

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				<u>33,814,014</u>

SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2021				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2021 - 2025	2.06 - 4.84	20,642.05	5,931,678
Borrowings in USD currency	2021 - 2025	1.85 - 3.38	627.29	18,952,452
Borrowings in THB currency	2021 - 2024	1.54 - 3.29	15,800.00	15,800,000
<u>Less</u> Borrowings issuance cost				(37,398)
				40,646,732
<u>Less</u> Current portion of long-term borrowings				(3,839,423)
Total long-term borrowings				<u>36,807,309</u>

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				(26,486)
				44,076,691
<u>Less</u> Current portion of long-term borrowings				(10,960,296)
Total long-term borrowings				<u>33,116,395</u>

In the consolidated and separate financial statements as at February 28, 2021, the Company has a long-term borrowing in JPY currency from a related company which is a bank in Japan amounting to JPY 2,500 million or equivalent to Baht 718.15 million with interest rate at 4.84% per annum which is unsecured and will be due in the year 2021 (see Note 35.2.1) (As at February 29, 2020: JPY 2,500 million or equivalent to Baht 732.93 million).

As at February 28, 2021 and February 29, 2020, the Company can maintain financial ratios and other requirements according to the conditions as specified in the agreement.

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	Carrying amount		Total Baht '000
	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	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>

22. LONG-TERM BORROWINGS UNDER SECURITIZATION PROJECT

As at February 28, 2021 and February 29, 2020, the Company recognized the cash received and the settlement by the Seller Loan Account of ATS Rabbit Special Purpose Vehicle Company Limited 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 1,489.62 million and Baht 1,662.55 million, respectively.

23. LONG-TERM DEBENTURES

Long-term debentures, represent unsubordinated and unsecured debentures, as at February 28, 2021 and February 29, 2020, 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 28, 2021 Baht '000	As at February 29, 2020 Baht '000
Company									
25/03/2016	25/03/2020	70	USD	1,000,000	70,000,000	USD-LIBOR 6M + 0.65	Semi-annual	-	2,224,628
28/03/2016	27/03/2020	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.50	Semi-annual	-	476,706
22/08/2016	20/08/2021	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.85	Semi-annual	453,198	476,706
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	906,396	953,412
18/08/2017	18/08/2020	200,000	THB	1,000	200,000,000	2.50	Quarterly	-	200,000
14/09/2017	14/09/2020	300,000	THB	1,000	300,000,000	2.50	Semi-annual	-	300,000
21/09/2017	21/09/2020	100,000	THB	1,000	100,000,000	2.50	Semi-annual	-	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
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
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	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	1,000,000
								7,959,594	15,331,452
<u>Less</u> Debentures issuance cost								(7,275)	(16,568)
								7,952,319	15,314,884
<u>Less</u> Current portion of long-term debentures								(3,156,040)	(7,298,784)
Total long-term debentures in separate financial statements								4,796,279	8,016,100
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								6,269,361	9,489,182

- (1) 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.

- (2) 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 were 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 were 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 were 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 were 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.

- (3) 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 were due on November 15, 2020.

On November 15, 2018, the Company issued and offered debentures amounting to Baht 800 million to institutional 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 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 in Thailand with interest rate of 2.57% per annum, payable on a semi-annual basis, and will be due on November 15, 2024.

- (4) 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 28, 2021 and February 29, 2020, the subsidiary issued and offered the long-term refinanced debentures which are unsubordinated and unsecured of Baht 1,473.08 million 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.

As at February 28, 2021 and February 29, 2020, the Company can maintain financial ratios and other requirements according to the conditions as specified in the agreement.

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	Carrying amount	
	amount	Within 1 year	1 - 5 years
	Baht '000	Baht '000	Total
		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>(499,448)</u>

24. DERIVATIVE FINANCIAL INSTRUMENTS

The fair values and notional amounts of derivative instruments are set out as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
As at February 28, 2021			
	Fair value		Notional amount
	Assets	Liabilities	
	Baht '000	Baht '000	Baht '000
Derivatives designated as cash flow hedges			
Cross currency swaps	-	2,780,776	26,243,724
Interest rate swaps	-	364,729	9,000,000
	<u>-</u>	<u>3,145,505</u>	<u>35,243,724</u>
<u>Less</u> Current portion of derivative liabilities	<u>-</u>	<u>(1,287,130)</u>	<u>(4,699,532)</u>
Total derivative liabilities	<u>-</u>	<u>1,858,375</u>	<u>30,544,192</u>

25. 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 28, 2021 and February 29, 2020, 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 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Past service cost				
- From loss on settlement of benefit paid	-	7	-	-
Current service cost	70,746	57,432	62,612	49,495
Interest cost	6,458	7,872	5,779	7,322
Loss on settlement	36,342	1,324	27,604	1,324
Total	<u>113,546</u>	<u>66,635</u>	<u>95,995</u>	<u>58,141</u>

For the years ended February 28, 2021 and February 29, 2020, 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 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
(Gain) loss on remeasurements of defined benefit plans				
- From financial assumptions changes	3,594	26,429	2,056	22,666
- From demographic assumptions changes	32,298	28,085	32,347	28,616
- From experience adjustments	(8,571)	3,727	(6,242)	3,287
Total	<u>27,321</u>	<u>58,241</u>	<u>28,161</u>	<u>54,569</u>

Movements in the present value of the provisions for post-employment benefits for the years ended February 28, 2021 and February 29, 2020 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	393,419	271,321	352,594	242,534
Past service cost				
- From loss on settlement of benefit paid	-	7	-	-
Current service cost	70,746	57,432	62,612	49,495
Interest cost	6,458	7,872	5,779	7,322
Loss on settlement	36,342	1,324	27,604	1,324
Loss on remeasurements of defined benefit plans	27,321	58,241	28,161	54,569
Benefits paid	(55,940)	(2,778)	(45,144)	(2,650)
Ending balance	478,346	393,419	431,606	352,594

The significant actuarial assumptions used to calculate the provisions for post-employment benefits as at February 28, 2021 and February 29, 2020, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at February 28, 2021	As at February 29, 2020
	% per annum	% per annum
Financial assumptions		
Discount rate	0.96 - 1.66	1.47 - 1.80
Expected rate of salary increase	5.0	5.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 28.0	0.0 - 30.0
	Subject to range of age of employees	Subject to range of age of employees
Daily & Temporary staff	0.0 - 54.0	0.0 - 52.0
	Subject to range of age of employees	Subject to range of age of employees
	SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2021	As at February 29, 2020
	% per annum	% per annum
Financial assumptions		
Discount rate	1.66	1.69
Expected rate of salary increase	5.0	5.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 17.0	0.0 - 18.0
	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 without discounting to present value as at February 28, 2021 and February 29, 2020, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000
Financial assumptions				
Discount rate				
- 1% increase	(68,251)	(57,051)	(62,532)	(51,992)
- 1% decrease	82,738	69,450	75,910	63,373
Expected rate of salary increase				
- 1% increase	75,106	61,737	69,057	56,371
- 1% decrease	(63,122)	(51,809)	(57,986)	(47,253)
Demographic assumptions				
Turnover rate				
- 1% increase	(71,941)	(60,470)	(65,799)	(55,016)
- 1% decrease	40,870	33,853	36,659	30,176

26. SHAREHOLDERS' EQUITY

- 26.1 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.
- 26.2 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.
- 26.3 On June 24, 2020, the Annual General Meeting of Shareholders had the resolutions to approve the declaration of final dividends for the year ended February 29, 2020 at the rate of Baht 2.55 per share, totaling Baht 637.50 million. The aforementioned shareholders included 1,800 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 637.50 million on July 20, 2020 in addition to the interim dividends which had been paid to all shareholders at Baht 2.45 per share, totaling Baht 612.50 million on November 4, 2019.

- 26.4 On October 6, 2020, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the year ended February 28, 2021 at the rate of Baht 1.85 per share to shareholders, totaling Baht 462.50 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 462.50 million on November 5, 2020.
- 26.5 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.

27. 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 28, 2021 and February 29, 2020, the Company's legal reserve equals to 10% of the registered share capital.

28. 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.

29. OTHER COMPONENTS OF SHAREHOLDERS' EQUITY

Other components of shareholders' equity as at February 28, 2021 and February 29, 2020 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	February 28,	February 29,	February 28,	February 29,
	2021	2020	2021	2020
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	(177,795)	(123,078)	-	-
Impacts from the adoption of TFRS 9	(1,346,848)	-	(1,346,848)	-
Beginning balance after adjustment	(1,524,643)	(123,078)	(1,346,848)	-
Increase (decrease) in exchange differences on translating financial statements of foreign operations	56,570	(54,717)	-	-
Gain on cash flow hedges	451,273	-	451,273	-
Ending balance	(1,016,800)	(177,795)	(895,575)	-

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.

Cumulative loss on cash flow hedges in shareholders' equity consists of the effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges against foreign exchange risk.

30. REVENUES RELATING TO SECURITIZATION TRANSACTION

For the years ended February 28, 2021 and February 29, 2020, 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 28,	February 29,
	2021	2020
	Baht '000	Baht '000
Loan income (see Note 35.2.2)		
Interest income from subordinated lendings	10,089	10,117
Revenue from seller loan in Special Purpose Vehicle	26,050	24,055
Dividend from investment in Special Purpose Vehicle	24,394	41,906
Collection servicing income	85,616	92,719
Total	146,149	168,797

31. DIRECTORS AND MANAGERMENTS' REMUNERATION

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

For the years ended February 28, 2021 and February 29, 2020, directors and managements' remuneration are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Directors' remuneration	35,497	38,343	26,786	24,244
Managements' remuneration	118,884	127,493	66,574	73,551
Post-employment benefits	4,668	6,070	3,495	3,721
Total	<u>159,049</u>	<u>171,906</u>	<u>96,855</u>	<u>101,516</u>

For the years ended February 28, 2021 and February 29, 2020, 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 24, 2020 and June 21, 2019, respectively.

32. 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 28, 2021 and February 29, 2020, 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 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Contributory provident fund	<u>64,264</u>	<u>60,085</u>	<u>54,311</u>	<u>51,215</u>

33. EXPENSES BY NATURE

Total expenses for the years ended February 28, 2021 and February 29, 2020 comprised of the followings:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28,	February 29,	February 28,	February 29,
	2021	2020	2021	2020
	Baht '000	Baht '000	Baht '000	Baht '000
Staff costs	2,677,354	3,037,922	1,840,835	2,195,486
Marketing expenses	1,538,972	1,831,226	1,473,509	1,773,777
Equipment expenses	580,361	649,360	455,465	526,837
Depreciation and amortization	1,122,870	548,570	928,713	450,225
Communication expenses	245,187	307,877	207,980	268,427
Premises' expenses	229,324	801,018	177,278	671,544
Outsource collection expenses	525,983	581,069	974,204	1,002,798
Special business tax and duty stamp	558,642	613,005	540,338	594,947
Printing material expenses	162,264	201,446	149,187	188,842
Transportation expenses	148,075	201,036	95,721	137,616
Fees and commissions	182,737	183,981	155,527	157,424
Other expenses	171,870	134,718	80,311	88,627
Directors and managements' remuneration	159,049	171,906	96,855	101,516
Loss on revaluation of investment	14,009	-	14,009	-
Loss on impairment of investment	-	-	16,819	-
Loss on sale of investment	-	539	-	539
Loss on sale and write-off of leasehold improvement and equipment	6,802	25,393	6,780	24,866
Total Expenses	8,323,499	9,289,066	7,213,531	8,183,471

34. 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 28, 2021 and February 29, 2020. The foreign subsidiaries used 20% - 25% for corporate income tax and deferred tax calculations for the years ended February 28, 2021 and February 29, 2020.

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 28, 2021 and February 29, 2020, income tax expense consists of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the years	1,294,151	1,316,260	1,153,468	1,152,024
Deferred income tax revenue	<u>(327,071)</u>	<u>(292,704)</u>	<u>(276,610)</u>	<u>(285,886)</u>
Income tax expense per statements of profit or loss	<u>967,080</u>	<u>1,023,556</u>	<u>876,858</u>	<u>866,138</u>

Reconciliations for effective tax rates for the years ended February 28, 2021 and February 29, 2020 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Baht '000	Baht '000	Baht '000	Baht '000
Accounting profit before income tax	4,647,114	5,143,787	4,687,808	4,710,887
Permanent differences	(26,215)	(77,733)	(60,324)	(74,112)
Temporary differences	1,644,661	1,463,720	1,383,050	1,429,429
Income exempt from tax	<u>-</u>	<u>-</u>	<u>(243,194)</u>	<u>(306,086)</u>
Taxable profit	<u>6,265,560</u>	<u>6,529,774</u>	<u>5,767,340</u>	<u>5,760,118</u>
Normal income tax rate (%)	20.00 - 25.00	20.00 - 25.00	20.00	20.00
Income tax for the period currently payable	1,294,151	1,316,260	1,153,468	1,152,024
Deferred tax from temporary differences	<u>(327,071)</u>	<u>(292,704)</u>	<u>(276,610)</u>	<u>(285,886)</u>
Income tax expense per statements of profit or loss	<u>967,080</u>	<u>1,023,556</u>	<u>876,858</u>	<u>866,138</u>
Effective tax rate (%)	20.81	19.90	18.71	18.39

35. 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:

35.1 Investments in an associate and subsidiaries (see Note 9.2) as at February 28, 2021 and February 29, 2020 are as follows:

Related parties	Relationship	SEPARATE FINANCIAL STATEMENTS					
		As at February 28, 2021			As at February 29, 2020		
		Ownership	Paid-up	Cost	Ownership	Paid-up	Cost
		%	capital Baht' 000	method Baht '000	%	capital Baht' 000	method 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
<u>Less</u> Allowance for impairment in investment				<u>(16,819.3)</u>			<u>-</u>
Total investment in an associate				<u>-</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	455,403.3	455,403.3
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>1,206,645.3</u>
Total investments in an associate and subsidiaries				<u>1,206,645.3</u>			<u>1,223,464.6</u>

35.2 Business transactions with related parties

35.2.1 Balances with related parties as at February 28, 2021 and February 29, 2020, are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000	As at February 28, 2021 Baht '000	As at February 29, 2020 Baht '000
Other receivables (see Note 6)					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	37,974	31,673
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	2,964	1,089
AEON Financial Service Co., Ltd.	Major shareholder	154	1,065	105	215
AEON Credit Service Company Limited	Common ultimate holding company	-	60	-	-
ACS Capital Corporation Limited	Shareholder and one common director	5,672	1,024	376	1
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	-	464
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	49,828	48,381
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	1,663	1,800
AEON (Cambodia) Company Limited	Common ultimate holding company	80	-	-	-
AEON Bank Ltd.	Common ultimate holding company	-	82	-	-
AEON (Thailand) Ltd.	Common ultimate holding company	24	-	-	-
		5,930	2,231	92,910	83,623
Long-term loan to a subsidiary (see Note 8)					
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	119,494	125,858
Seller loan in Special Purpose Vehicle for securitization (see Note 11)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	219,626	235,074
Subordinated lendings (see Note 12.1)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	84,074	84,074

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
		Baht '000	Baht '000	Baht '000	Baht '000
Trade payables					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	163	80
Other payables (see Note 19)					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	2,046	9,085
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	59,897	145,924
AEON (Thailand) Company Limited	Common ultimate holding company	1,176	11,346	1,176	11,346
AEON Financial Service Co., Ltd.	Major shareholder	56,883	45,438	48,037	40,355
AEON Credit Service Company Limited	Common ultimate holding company	3,653	12,346	1,891	8,996
AEON Credit Service Systems (Philippines) Inc.	Holding shares	3,590	1,619	-	-
AEON Bank Ltd.	Common ultimate holding company	1,682	1,847	1,682	1,847
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	78	-	-	-
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	49,045	59,878
AEON Insurance Service Company Limited (JP)	Common ultimate holding company	672	1,371	-	-
ACS Capital Corporation Limited	Common ultimate holding company	3	-	-	-
		<u>67,737</u>	<u>73,967</u>	<u>163,774</u>	<u>277,431</u>
Long-term borrowings (see Note 21)					
AEON Bank Ltd.	Common ultimate holding company	718,151	732,928	718,151	732,928
Long-term borrowing under securitization project (see Note 22)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,489,622	1,662,552
Deposit Received					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	4,163	4,163
Deferred Revenue					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	78,809	82,872

35.2.2 Transactions with related parties for the years ended February 28, 2021 and February 29, 2020, are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the years ended February 28, 2021 Baht '000	February 29, 2020 Baht '000	For the years ended February 28, 2021 Baht '000	February 29, 2020 Baht '000
Sale promotion income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	1,751	2,613
Credit card income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	339,108	366,645
Revenue relating to securitization transaction (included in loan income) (see Note 30)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	146,149	168,797
Collection income					
ACS Capital Corporation Limited	Shareholder and one common director	912	2,708	-	-
Dividend income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	130,000	92,500
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	88,800	171,680
		<u>-</u>	<u>-</u>	<u>218,800</u>	<u>264,180</u>
Other income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	60,593	51,796
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	12,901	8,473
ACS Capital Corporation Limited	Shareholder and one common director	15,807	9,247	4,243	3,261
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	10,559	1,800
		<u>15,807</u>	<u>9,247</u>	<u>88,296</u>	<u>65,330</u>
Operating and administrative expenses					
Collection service fee					
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	466,409	446,887
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	6,697	8,807
		<u>-</u>	<u>-</u>	<u>473,106</u>	<u>455,694</u>

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		February 28,	February 29,	February 28,	February 29,
		2021	2020	2021	2020
		Baht '000	Baht '000	Baht '000	Baht '000
Others					
AEON Financial Service Co., Ltd.	Major shareholder	136,778	101,725	104,215	93,331
AEON Credit Service Company Limited	Common ultimate holding company	32,651	44,190	10,396	19,190
AEON Bank Ltd.	Common ultimate holding company	17,871	8,848	5,339	2,788
AEON (Thailand) Company Limited	Common ultimate holding company	17,667	24,626	17,667	24,626
AEON Credit Service Systems (Philippines) Inc.	Holding shares	843	6,168	843	4,077
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	23,986	17,574
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	-	1,814	-	-
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	2,320	-
AEON Insurance Service Company Limited (JP)	Common ultimate holding company	4,165	128	-	-
		<u>209,975</u>	<u>187,499</u>	<u>164,766</u>	<u>161,586</u>
Finance costs					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	377,858	440,108
AEON Bank Ltd.	Common ultimate holding company	11,287	8,416	6,579	8,416
AEON Financial Service Co., Ltd.	Major shareholder	12,844	2,412	-	-
		<u>24,131</u>	<u>10,828</u>	<u>384,437</u>	<u>448,524</u>
Dividend paid					
AEON Financial Service Co., Ltd.	Major shareholder	386,320	421,440	386,320	421,440
ACS Capital Corporation Limited	Shareholder and one common director	211,200	230,400	211,200	230,400
AEON Holding (Thailand) Limited	Common ultimate holding company	96,800	105,600	96,800	105,600
		<u>694,320</u>	<u>757,440</u>	<u>694,320</u>	<u>757,440</u>

- Other income for the years ended February 28, 2021 and February 29, 2020 include the computer fee charged to ACS Capital Corporation Limited at the rate of Baht 130,000 per month from September 2019 onwards, and charged to AEON Insurance Service (Thailand) Company Limited and ACS Servicing (Thailand) Company Limited at the rate of Baht 550,000 per month and Baht 770,000 per month, respectively, and from March 2020 onwards, Finance and Accounting operation services fee charged to ACS Capital Corporation Limited, AEON Insurance Service (Thailand) Company Limited and ACS Servicing (Thailand) Company Limited at the rate of Baht 97,000 per month, Baht 580,000 per month and Baht 760,000 per month, respectively, and from January 2021 onwards, Finance and Accounting operation services fee charged to ACS Capital Corporation Limited, AEON Insurance Service (Thailand) Company Limited and ACS Servicing (Thailand) Company Limited at the rate of Baht 50,000 per month, Baht 330,000 per month and Baht 720,000 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.

36. LONG-TERM OPERATING LEASE AND SERVICE AGREEMENTS

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Future minimum lease payments		Future minimum lease payments	
	As at February 29, 2020		As at February 29, 2020	
	Within 1 year	Over 1 to 5 years	Within 1 year	Over 1 to 5 years
	Baht '000	Baht '000	Baht '000	Baht '000
Buildings	399,638	349,438	353,075	301,221
Office equipment	53,758	23,640	52,956	23,436
Vehicles	39,752	12,669	24,955	11,304

For the year ended February 29, 2020, the Group and the Company recorded expense according to long-term operating lease and service agreements in the consolidated and separate statements of profit or loss of Baht 448.51 million and Baht 398.16 million, respectively.

37. 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:

37.1 Operating result classified by business for the years ended February 28, 2021 and February 29, 2020 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
For the year ended February 28, 2021					
	Retail finance services		Other businesses	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	18,665,030	1,574,368	1,062,504	-	21,301,902
Inter - segment revenues	643,712	(6,364)	468,972	(1,106,320)	-
	<u>19,308,742</u>	<u>1,568,004</u>	<u>1,531,476</u>	<u>(1,106,320)</u>	<u>21,301,902</u>
Expenses					
Operating and administrative expenses	7,054,212	755,634	1,200,298	(866,505)	8,143,639
Directors and managements' remuneration	96,855	27,952	34,242	-	159,049
Loss on revaluation of investment	14,009	-	-	-	14,009
Loss on impairment of investment	16,819	-	-	(16,819)	-
(Gain) loss on sale and write-off of leasehold improvement and equipment	6,780	358	(336)	-	6,802
Total expenses	<u>7,188,675</u>	<u>783,944</u>	<u>1,234,204</u>	<u>(883,324)</u>	<u>8,323,499</u>
Finance costs	1,779,026	325,279	2,507	(10,559)	2,096,253
Expected credit loss (reversal)	5,599,822	610,018	(235)	-	6,209,605
Share of loss of an associate using equity method	-	-	-	25,431	25,431
Profit (loss) before income tax	<u>4,741,219</u>	<u>(151,237)</u>	<u>295,000</u>	<u>(237,868)</u>	<u>4,647,114</u>
Income tax expense	892,419	19,515	55,146	-	967,080
Profit (loss) for the year	<u>3,848,800</u>	<u>(170,752)</u>	<u>239,854</u>	<u>(237,868)</u>	<u>3,680,034</u>

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
Loss on sale of investment	539	-	-	-	539
(Gain) loss on sale and write-off of leasehold improvement and equipment and intangible assets	24,866	599	(72)	-	25,393
Total expenses	<u>8,181,862</u>	<u>695,748</u>	<u>1,262,517</u>	<u>(851,061)</u>	<u>9,289,066</u>
Finance costs	1,965,165	243,993	14	-	2,209,172
Bad debts and doubtful accounts (reversal)	6,512,931	133,909	(578)	-	6,646,262
Share of loss of an associate using equity method	-	-	-	12,665	12,665
Profit before income tax	<u>4,773,747</u>	<u>356,110</u>	<u>310,745</u>	<u>(296,815)</u>	<u>5,143,787</u>
Income tax expense	887,091	77,204	59,261	-	1,023,556
Profit for the year	<u><u>3,886,656</u></u>	<u><u>278,906</u></u>	<u><u>251,484</u></u>	<u><u>(296,815)</u></u>	<u><u>4,120,231</u></u>

37.2 Financial position classified by business as at February 28, 2021 and February 29, 2020 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
As at February 28, 2021					
	Retail finance services		Other business	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Trade and other receivables	71,456,826	4,958,981	439,019	(188,876)	76,665,950
Leasehold improvement and equipment and intangible assets other than goodwill	1,174,163	173,771	149,019	(6,942)	1,490,011
Other assets	8,701,283	1,069,615	810,686	(1,349,043)	9,232,541
Total assets	<u>81,332,272</u>	<u>6,202,367</u>	<u>1,398,724</u>	<u>(1,544,861)</u>	<u>87,388,502</u>
Total liabilities	<u>64,820,381</u>	<u>5,160,685</u>	<u>334,830</u>	<u>(307,058)</u>	<u>70,008,838</u>

CONSOLIDATED FINANCIAL STATEMENTS					
As at February 29, 2020					
	Retail finance services		Other business	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	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	<u>89,031,361</u>	<u>6,626,717</u>	<u>1,327,833</u>	<u>(1,590,300)</u>	<u>95,395,611</u>
Total liabilities	<u>68,915,446</u>	<u>5,386,901</u>	<u>283,164</u>	<u>(315,047)</u>	<u>74,270,464</u>

38. DISCLOSURE OF INFORMATION RELATING TO FINANCIAL INSTRUMENTS

38.1 Financial risk management objectives

The Group's and the Company's Treasury function provides services to the Group and the Company in coordinating access to domestic and international financial markets, monitoring and managing the financial risks relating to the operations of the Group and the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group and the Company seek to minimize the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's and the Company's policies approved by the Board of Directors of the Group and the Company, which provide written principles on foreign currency risk, interest rate risk, credit risk and the use of financial derivatives and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group and the Company do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group's and the Company's Treasury function reports quarterly to the Group's and the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

38.2 Market risk

The Group's and the Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below). The Group and the Company enter into a variety of derivative financial instruments to manage its exposure to foreign currency and interest rate risk, including:

- cross currency swap to hedge the fluctuation exchange rate arising on translation of the Group's and the Company's borrowings and debentures; and
- interest rate swaps to mitigate the risk of rising interest rates.

38.2.1 Foreign currency risk management

The Group and the Company have liabilities in foreign currencies, which are different from their functional currencies. Foreign exchange rate exposures are managed within approved policy utilizing cross currency swap contracts.

Foreign currency sensitivity analysis

The Group and the Company enter into cross currency swap contracts for all borrowings and debentures denominated in different currencies from functional currencies. Consequently, the Group and the Company do not expose risks from the sensitivity of foreign currency.

Cross currency swap contracts

It is the policy of the Group and the Company to enter into cross currency swap contracts to manage the foreign exchange rate risk associated with borrowings and debentures.

In the current year, the Group and the Company have designated all cross currency swap contracts as a hedge of their foreign currency borrowings and debentures. Regarding the review on the Group's and the Company's policy and due to the increased volatility in foreign exchange rate, it was decided that 100% of foreign currency borrowings and debentures be hedged.

The information of cross currency swap contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items, are presented together with the information of interest rate swap contracts (see Note 38.2.2). Cross currency swap contracts assets and liabilities are presented in "Derivative assets" and "Derivative liabilities" within the statement of financial position (see Note 24 for further details).

38.2.2 Interest rate risk management

The Group and the Company are exposed to interest rate risk because borrowings and debentures carry floating interest rates. The Group and the Company, therefore, manage interest rate risk by the use of interest rate swap contracts to ensure that the Group and the Company do not expose risks from the fluctuation of interest rate.

The Group's and the Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this Note.

Interest rate sensitivity analysis

The Group and the Company enter into interest rate swap contracts for all borrowings and debentures carrying floating interest rate, hence, the Group and the Company do not expose to risks from the sensitivity of interest rate.

Interest rate swap contracts

Under interest rate swap contracts, the Group and the Company agree to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group and the Company to mitigate the risk of changing interest rates. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows at the reporting date and the credit risk inherent in the contract.

The following tables are the information regarding cross currency and interest rate swap contracts and interest rate swap contracts as at February 28, 2021 and their related hedged items.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
Hedge instruments	Contract interest rate	Notional principal value		Change in fair value used for calculating hedge ineffectiveness	Carrying amount of the hedging instrument assets/(liabilities)
	% per annum	Foreign currency Million	Functional currency Baht '000	Baht '000	Baht '000
Cash flow hedges					
Cross currency and interest rate swap contracts					
JPY currency					
Less than 1 year	0.78	5,000.00	1,436,795	-	172,826
1 to 5 years	0.36 - 0.40	15,642.05	4,494,883	-	326,322
			<u>5,931,678</u>	<u>-</u>	<u>499,148</u>
USD currency					
Less than 1 year	0.77 - 1.11	107.99	3,262,737	-	504,485
1 to 5 years	0.89 - 1.45	564.30	17,049,309	-	1,777,143
			<u>20,312,046</u>	<u>-</u>	<u>2,281,628</u>
Interest rate swap contracts					
THB currency					
Less than 1 year	-	-	-	-	-
1 to 5 years	0.93 - 1.25	-	9,000,000	-	364,729
			<u>9,000,000</u>	<u>-</u>	<u>364,729</u>
			<u>35,243,724</u>	<u>-</u>	<u>3,145,505</u>

The following table details the effectiveness of the hedging relationships and the amounts reclassified from hedging reserve to profit or loss:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS						
For the year ended February 28, 2021						
	Change in the fair value of hedging instrument recognized in OCI	Hedge ineffectiveness recognized in profit or loss	Line item in profit or loss in which hedge ineffectiveness is included	Amount reclassified from cash flow hedge reserve due to hedged item affecting profit or loss	Amount reclassified from cost of hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
	Baht '000	Baht '000		Baht '000	Baht '000	
Cash flow hedges						
Cross currency and interest rate swap contracts						
JPY currency	(19,806)	-	-	(40,097) 229,621	6,072 -	Finance costs Other income
USD currency	(433,292)	-	-	45,714 623,622	11,586 -	Finance costs Other income
Interest rate swap contracts						
THB currency	118,330	-	-	22,340	-	Finance costs
Total	<u>(334,768)</u>	<u>-</u>		<u>881,200</u>	<u>17,658</u>	

38.3 Credit risk management

Note 5.4 and Note 3.2.2 detail the Group's and the Company's maximum exposure to credit risk and the measurement bases used to determine expected credit loss, respectively.

Before accepting any new customer, dedicated teams of the Group and the Company responsible for the determination of credit limits use an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed and approved twice a year by the risk management committee.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group and the Company review the recoverable amount of each trade receivables on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Group and the Company consider that the Group's and the Company's credit risk are significantly reduced. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables.

38.3.1 Overview of the Group's and the Company's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. As at February 28, 2021, the Group's and the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group and the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group and the Company arise from the carrying amount of the respective recognized financial assets as stated in the consolidated and separate statement of financial position.

The Group's and the Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing expected credit losses
Low credit risk receivables (Stage 1)	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Significant increase in credit risk receivables (Stage 2)	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Default receivables in credit risk (Stage 3)	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off

The tables below detail the credit quality of the Group's and the Company's financial assets, as well as the Group's and the Company's maximum exposure to credit risk by credit risk rating grades:

CONSOLIDATED FINANCIAL STATEMENTS					
As at February 28, 2021					
Notes	External credit rating	12-month or lifetime ECL	Gross carrying amount Baht '000	Allowance for ECL Baht '000	Net carrying amount Baht '000
Trade receivables	5	N/A	12-month ECL 79,446,594	(5,969,416)	73,477,178
			Lifetime ECL 7,985,968	(5,623,803)	2,362,165
Fixed deposits at banks under obligations	7	N/A	12-month ECL 38,968	-	38,968
			<u>87,471,530</u>	<u>(11,593,219)</u>	<u>75,878,311</u>
SEPARATE FINANCIAL STATEMENTS					
As at February 28, 2021					
Notes	External credit rating	12-month or lifetime ECL	Gross carrying amount Baht '000	Allowance for ECL Baht '000	Net carrying amount Baht '000
Trade receivables	5	N/A	12-month ECL 74,480,252	(5,813,007)	68,667,245
			Lifetime ECL 7,245,972	(5,078,796)	2,167,176
Long-term loan to a subsidiary	8	N/A	12-month ECL 119,494	-	119,494
			<u>81,845,718</u>	<u>(10,891,803)</u>	<u>70,953,915</u>

38.4 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors of the Group and the Company, which have established an appropriate liquidity risk management framework for management of the short, medium and long-term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Details of additional undrawn facilities that the Group and the Company have to further reduce liquidity risk are disclosed in Note 39.

38.4.1 Liquidity and interest risk tables

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest cash flows are floating rate, the undiscounted amount is derived from interest rate curves at the reporting date.

The contractual maturity is based on the earliest date on which the Group may be required to pay.

As at February 28, 2021, financial assets and liabilities of the Group and the Company are classified based on contractual maturities as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at February 28, 2021					
	At call	Less than 1 year	1 - 5 years	More than 5 years	No maturity	Total
Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
Financial assets						
Cash and cash equivalents	5,105,168	-	-	-	-	5,105,168
Trade receivables	-	73,525,984	2,313,359	-	-	75,839,343
Other receivables	-	826,607	-	-	-	826,607
Fixed deposits at banks under obligations	-	-	38,968	-	-	38,968
Investment in equity securities designated at fair value through profit or loss	-	-	-	-	5,062	5,062
Total financial assets	5,105,168	74,352,591	2,352,327	-	5,062	81,815,148

CONSOLIDATED FINANCIAL STATEMENTS

As at February 28, 2021

	At call	Less than 1 year	1 - 5 years	More than 5 years	No maturiy	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Financial liabilities						
Bank overdrafts and short-term borrowings from financial institutions	-	10,379,071	-	-	-	10,379,071
Trade payables	-	556,154	-	-	-	556,154
Other payables	-	1,189,768	-	-	-	1,189,768
Interest payable	-	194,491	-	-	-	194,491
Long-term borrowings	-	3,839,423	38,982,198	-	-	42,821,621
Long-term debentures	-	3,156,040	6,269,361	-	-	9,425,401
Derivative liabilities	-	1,287,130	1,858,375	-	-	3,145,505
Lease liabilities	-	453,755	234,962	912	-	689,629
Subordinated borrowings	-	-	84,074	-	-	84,074
Total financial liabilities	-	21,055,832	47,428,970	912	-	68,485,714

SEPARATE FINANCIAL STATEMENTS

As at February 28, 2021

	At call	Less than 1 year	1 - 5 years	More than 5 years	No maturiy	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Financial assets						
Cash and cash equivalents	3,157,192	-	-	-	-	3,157,192
Trade receivables	-	69,057,533	1,776,888	-	-	70,834,421
Other receivables	-	672,233	-	-	-	672,233
Seller loan in Special Purpose Vehicle for securitization	-	219,626	-	-	-	219,626
Long-term loan to a subsidiary	-	-	-	119,494	-	119,494
Investment in equity securities designated at fair value through profit or loss	-	-	-	-	5,062	5,062
Subordinated lendings	-	-	84,074	-	-	84,074
Total financial assets	3,157,192	69,949,392	1,860,962	119,494	5,062	75,092,102

Financial liabilities

Bank overdrafts and short-term borrowings from financial institutions	-	7,860,000	-	-	-	7,860,000
Trade payables	-	413,004	-	-	-	413,004
Other payables	-	1,078,282	-	-	-	1,078,282
Interest payable	-	188,652	-	-	-	188,652
Long-term borrowings	-	3,839,423	36,807,309	-	-	40,646,732
Long-term borrowings under securitization project	-	-	1,489,622	-	-	1,489,622
Long-term debentures	-	3,156,040	4,796,279	-	-	7,952,319
Derivative liabilities	-	1,287,130	1,858,375	-	-	3,145,505
Lease liabilities	-	384,411	174,184	-	-	558,595
Total financial liabilities	-	18,206,942	45,125,769	-	-	63,332,711

38.5 Capital risk management

The Group and the Company manage their capital to ensure that the Group and the Company will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group and the Company consists of short-term and long-term borrowings in Note 18, Note 21 and Note 22, long-term debentures in Note 23, lease liabilities in Note 20 and shareholders' equity of the Group and the Company consist of issued share capital, reserves, unappropriated retained earnings and non-controlling interests disclosed in Note 26.

The Group's and the Company's risk management committee review the capital structure on a quarterly basis. As part of this review, the committee of the Group and the Company consider the cost of capital and the risks associated with each class of capital. The Group and the Company are not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratio as at February 28, 2021 is as follows:

	CONSOLIDATED FINANCIAL STATEMENTS Baht *000	SEPARATE FINANCIAL STATEMENTS Baht *000
Debt	63,399,796	58,507,268
Cash and cash equivalents (including cash and bank balances in a disposal group held for sale)	<u>(5,105,168)</u>	<u>(3,157,192)</u>
Net debt	<u><u>58,294,628</u></u>	<u><u>55,350,076</u></u>
Equity	<u><u>17,379,664</u></u>	<u><u>16,498,411</u></u>
Net debt to equity ratio	3.35	3.35

Debt consists of short-term and long-term borrowings in Note 18, Note 21 and Note 22, long-term debentures in Note 23 and lease liabilities in Note 20.

Equity includes all capital and reserves of the Group and the Company that are managed as capital.

38.6 Fair value measurements

The Group's and the Company's accounting policies and disclosures require the determination of fair value, for both financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset and liability.

Valuation techniques and key inputs used in fair value measurements

- Trade receivables: fair value are subjected to discounted cash flows net of allowance for expected credit loss and allowance for bad debts.
- Long-term loan to a subsidiary: fair value is estimated based on the discounted cash flows using market interest rate.
- Investment in equity securities designated at fair value through profit or loss: fair value is calculated based on the discounted cash flows using weighted average cost of capital.
- Long-term borrowings and debentures: fair value are estimated based on the discounted cash flows using average current interest rate over the remaining period to maturity.

1) Fair value as at February 28, 2021

The following tables present the analysis of financial assets and financial liabilities which are measured at fair value and their fair value hierarchy level classification as at February 28, 2021:

CONSOLIDATED FINANCIAL STATEMENTS					
As at February 28, 2021					
	Carrying amount			Fair value	
	FVTPL - derivatives designated in hedge relationships Baht '000	FVTPL - designated Baht '000	Amortized cost Baht '000	Baht '000	Fair value hierarchy
Financial assets					
Cash and cash equivalents	-	-	5,105,168	5,105,168	Level 2
Trade receivables	-	-	75,839,343	75,839,343	Level 3
Other receivables	-	-	826,607	826,607	Level 3
Fixed deposits at banks under obligations			38,968	38,968	Level 3
Investment in equity securities designated at fair value through profit or loss	-	5,062	-	5,062	Level 3
Total financial assets	-	5,062	81,810,086	81,815,148	
Financial liabilities					
Bank overdrafts and short-term					
borrowings from financial institutions	-	-	10,379,071	10,379,071	Level 2
Trade payables	-	-	556,154	556,154	Level 3
Other payables	-	-	1,189,768	1,189,768	Level 3
Interest payable	-	-	194,491	194,491	Level 3
Long-term borrowings	-	-	42,821,621	42,855,929	Level 2
Long-term debentures	-	-	9,425,401	9,454,304	Level 2
Derivative liabilities	3,145,505	-	-	3,145,505	Level 2
Lease liabilities	-	-	689,629	689,629	Level 3
Subordinated borrowings	-	-	84,074	84,074	Level 3
Total financial liabilities	3,145,505	-	65,340,209	68,548,925	

SEPARATE FINANCIAL STATEMENTS

As at February 28, 2021

	Carrying amount			Fair value	
	FVTPL - derivatives designated in hedge relationships	FVTPL - designated	Amortized cost	Fair value hierarchy	
	Baht '000	Baht '000	Baht '000	Baht '000	
Financial assets					
Cash and cash equivalents	-	-	3,157,192	3,157,192	Level 2
Trade receivables	-	-	70,834,421	70,834,421	Level 3
Other receivables	-	-	672,233	672,233	Level 3
Seller loan in Special Purpose Vehicle for securitization	-	-	219,626	219,626	Level 3
Long-term loan to a subsidiary	-	-	119,494	117,424	Level 2
Investment in equity securities designated at fair value through profit or loss	-	5,062	-	5,062	Level 3
Subordinated lendings	-	-	84,074	84,074	Level 3
Total financial assets	-	5,062	75,087,040	75,090,032	
Financial liabilities					
Bank overdrafts and short-term borrowings from financial institutions	-	-	7,860,000	7,860,000	Level 2
Trade payables	-	-	413,004	413,004	Level 3
Other payables	-	-	1,078,282	1,078,282	Level 3
Interest payables	-	-	188,652	188,652	Level 3
Long-term borrowings	-	-	40,646,732	40,680,980	Level 2
Long-term borrowings under securitization project	-	-	1,489,622	1,489,622	Level 3
Long-term debentures	-	-	7,952,319	7,989,222	Level 2
Derivative liabilities	3,145,505	-	-	3,145,505	Level 2
Lease liabilities	-	-	558,595	558,595	Level 3
Total financial liabilities	3,145,505	-	60,187,206	63,403,862	

2) Fair value as at February 29, 2020

Cash and cash equivalents, trade and other current receivables, bank overdrafts and 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.

- 2.1) The following tables present the analysis of financial assets and financial liabilities which are measured at fair value and their fair value hierarchy level classification as at February 29, 2020:

	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

- 2.2) 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	Over	Total	Assets
	1 year	1 - 5 years		(Liabilities)
	Baht '000	Baht '000	Baht '000	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)

39. CREDIT FACILITIES AND LETTERS OF GUARANTEE

- 39.1 As at February 28, 2021 and February 29, 2020, the Company has unused committed and unsecured revolving credit facility agreements with some financial institutions totaling Baht 3,000 million.
- 39.2 As at February 28, 2021 and February 29, 2020, the Company has unused overdraft facilities with various banks totaling Baht 3,090 million. Such overdraft facilities are unsecured.
- 39.3 As at February 28, 2021 and February 29, 2020, 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.
- 39.4 As at February 28, 2021 and February 29, 2020, two subsidiaries have letters of guarantee issued by banks in the amounts of Baht 5.78 million and Baht 5.38 million, respectively.

40. SIGNIFICANT AGREEMENTS RELATING TO SECURITIZATION TRANSACTION

- 40.1 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.
- 40.2 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. Moreover, 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.
- 40.3 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.

41. SALE OF WRITTEN-OFF RECEIVABLES

- 41.1 On June 28, 2018, the Company sold written-off receivables under loan agreements and credit card agreements to ACS Servicing (Thailand) Company Limited (the “buyer”), a subsidiary, with the purchase price of Baht 31.52 million. On the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement sets out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off receivables under loan agreements and credit card agreements. On June 28, 2018, which is the closing date as specified in the agreement, the Company received the payment in full from the buyer. However, the Group has retained substantially all of the risks and rewards of the assets transferred to the buyer which is the subsidiary. Consequently, the Company recorded cash received from the buyer as deferred revenue which will be recognized as revenue when the buyer can collect from debtors. The Company has already recognized revenue of Baht 2.02 million and Baht 2.48 million as bad debt recovery in the consolidated and separate statements of profit or loss for the years ended February 28, 2021 and February 29, 2020, respectively, and recorded outstanding deferred revenue of Baht 22.73 million and Baht 24.75 million as other current liabilities in the separate statement of financial position as at February 28, 2021 and February 29, 2020, 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.

- 41.2 On October 28, 2019, the Company sold written-off receivables under loan agreements and credit card agreements by a bidding process to ACS Servicing (Thailand) Company Limited (the “buyer”), a subsidiary, with the purchase price of Baht 59.11 million. On the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement sets out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off receivables under loan agreements and credit card agreements. On October 28, 2019, which is the closing date as specified in the agreement, the Company received the payment in full from the buyer. However, the Group has retained substantially all of the risks and rewards of the assets transferred to the buyer which is the subsidiary. Consequently, the Company recorded cash received from the buyer as deferred revenue which will be recognized as revenue when the buyer can collect from debtors. The Company has already recognized revenue of Baht 1.78 million and Baht 0.93 million as bad debt recovery in the consolidated and separate statements of profit or loss for the year ended February 28, 2021 and February 29, 2020, respectively, and recorded outstanding deferred revenue of Baht 55.95 million and Baht 57.83 million as other current liabilities in the separate statements of financial position as at February 28, 2021 and February 29, 2020, 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.

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

- 41.4 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. As at February 28, 2021, the Company already received the full payment from the buyer.

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.

- 41.5 On October 30, 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 249.70 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 30, 2020, which is the closing date as specified in the agreement and as at February 28, 2021 the Company received the initial payment of Baht 74.90 million and Baht 77.68 million, respectively. The buyer has agreed to pay the remaining amount of purchase price amounting to Baht 97.12 million in 5 installments of Baht 19.42 million per each and last installment will be on July 30, 2021. The Company has already recognized gain on sale of written-off receivables totaling Baht 249.70 million in the consolidated and separate statements of profit or loss for the year ended February 28, 2021, and recorded outstanding receivables of Baht 97.12 million as other receivables in the consolidated and separate statements of financial position as at February 28, 2021.

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 28, 2021. In addition, under the Asset Sale and Purchase Agreement, if the buyer wished to sell or transfer loan to a third party, the buyer shall get written approval from the Company. In addition, a third-party shall comply all terms and conditions of the agreement, by entering into the Accession Agreement in form determined by the Company.

42. EVENT AFTER THE REPORTING PERIOD

On March 29, 2021, AEON Thana Sinsap (Thailand) Public Company Limited (“AEON”), has entered into a Joint Venture Agreement with BSS Holdings Company Limited (“BSS Holdings”) and Humanica Public Company Limited (“HUMAN”) to incorporate a Joint Venture Company under the name of “Rabbit Cash Company Limited”, whereas BSS Holdings, AEON and HUMAN holds 77%, 18% and 5%, respectively, of the shares. The initial registered capital is Baht 800 million.

The Joint Venture Company’s main objective is to provide lending services through digital platform under the brand “Rabbit Cash”.

The Joint Venture Agreement was approved by the Board of Directors’ Meeting on February 3, 2021.

43. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issue by the Company’s Board of Director on April 27, 2021.

(Translation)

No.07/2021

April 27, 2021

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 5/2021

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby report the resolutions passed at the meeting of the Board of Directors No. 5/2021, held on April 27, 2021 from 10:00 a.m. as follows:

1. Unanimously approved of the audited financial statements of the Company for the fiscal year ended February 28, 2021.
2. Unanimously approved and declaration of final dividend payment for the fiscal year ended February 28, 2021. The final dividend will be paid at 2.65 baht per share to the shareholders on July 20, 2021. The right to receive dividend has to be approved at shareholders meeting on June 24, 2021.

This dividend is paid in addition to the interim dividend already paid at the rate of 1.85 baht per share on November 5, 2020. The total dividends paid for the fiscal year ended February 28, 2021, is 4.50 baht per share or 30.5% payout ratio. The Company has set the record date on May 13, 2021 to determine the shareholders entitled to receive dividends (XD will be posted on May 12, 2021).

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 2021, there will be 4 directors who are due to retire upon completion of their term of office, namely:
 1. Mr. Nuntawat Chotvijit
 2. Ms. Suriporn Thammawatid
 3. Mr. Kenji Hayashi
 4. Dr. Mongkon Laoworapong

Approved the re-appointment of Mr. Nuntawat Chotvijit, Ms. Suriporn Thammawatid and Dr. Mongkon Laoworapong, whose term will be due on the date of the Annual General Meeting of Shareholders 2021 to be the Company's Directors for another term.

Acknowledged the resignation of Mr. Kenji Hayashi who vacated his position by rotation at the Annual General Meeting of Shareholders 2021

4. Acknowledged the resignation of Mr. Hideki Wakabayashi, Chairman of the Board of Director, which will be effective on May 21, 2021 and approved the resignation of director of the Company of Mr. Kenji Fujita, Mr. Masanori Kosaka and Mr. Nuppan Muangkote, which will be effective on 24 June, 2021. Approved Mr. Mitsugu Tamai and Mr. Junichi Iwakami as a new director of the Company and Mr. Ittinant Suwanjutha as an independent director of the Company and approved to reduce the member of directors of the Company from 14 to 12 directors. Therefore, the Board of Director of the Company will be as follows:

1. Mr. Mitsugu Tamai
2. Mr. Tsutomu Omodera
3. Mrs. Suporn Wattanavekin
4. Mr. Nuntawat Chotvijit
5. Ms. Suriporn Thammawatid
6. Mr. Kazumasa Oshima
7. Mr. Junichi Iwakami
8. Mr. Chatchaval Jiravanon
9. Dr. Sucharit Koontanakulvong
10. Dr. Mongkon Laoworapong
11. Mr. Ryuichi Hasuo
12. Mr. Ittinant Suwanjutha

The meeting also approved the directors' remuneration for the fiscal year ended February 28, 2022 to be not more than 35,000,000 baht.

5. 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, 2022, and the determination of the auditing fee within the amount of not exceeding 5,900,000 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 |

6. Approved the related transactions with the related companies (Details as attachment)

7. Unanimously approved the schedule of the Annual General Meeting of Shareholders for the year 2021 to be held on June 24, 2021 at 10.00 am. by electronic meeting (E-AGM) in accordance with criteria specified in the laws on electronic meeting. The meeting agenda are as follows:
 1. To acknowledge the annual report and the Company's operating results in the fiscal year ended February 28, 2021.
 2. To approve the audited financial statements for the fiscal year ended February 28, 2021.
 3. To acknowledge the payment of interim dividend and approve declaration of final dividend payment for the fiscal year ended February 28, 2021.
 4. To appoint directors to replace those retiring by rotation, resignation, and decrease number of directors.
 5. To approve remuneration of directors for the fiscal year ended February 28, 2022.
 6. To appoint auditor and determine audit fee for the fiscal year ended February 28, 2022.
 7. Other businesses (if any)

The Board of Director meeting also approved the record date on May 13, 2021 to determine the shareholders who have the right to attend the Annual General Meeting. The authorized directors of the Company will consider the details of the AGM and the Company will then inform the shareholders accordingly.

Please be informed accordingly

Yours sincerely,

Tsutomu Omodera
Managing Director

Attachment

Connected transactions

The Board of Director's meeting of AEON Thana Sinsap (Thailand) Plc. No. 5/2021 held on April 27, 2021 had a resolution of the connected transaction as follows:

1. To waive the right to participate in capital injection of ACS Trading Vietnam Company Limited

1.1 Date of agreement

Within May 2021

1.2 Contractual parties with AEONTS

Company	Business	Relationship with AEONTS
AEON Financial Service Co.,Ltd. ("AFS")	Finance	- Major shareholder of AEONTS, holding 35.12% of AEONTS's shares

AEONTS's Affiliated

Company	Business	AEONTS
ACS Trading Vietnam Company Limited*	Hire Purchase	20% owned by AEONTS

* AEON Financial Service Co.,Ltd. ("AFS") - Major of Shareholders of ACSTV, holding 40% of ACSTV's share

1.3 General characteristics of transaction

ACSTV required capital investment from 50 billion VND to 330 billion VND, an increasing of 280 billion VND (approximately 381 million baht). AEONTS has right to participate in capital injection by 20% of the requested additional capital (approximately 56 billion VND or 76 million baht). However, the Board of Director's meeting of AEONTS held on April 27, 2021, had resolution to waived the right and not participate in capital injection in ACSTV and AFS will participate all of the request portions to ACSTV in the long run. Therefore, after waive the right in capital injection. AEON will held 3% of ACSTV accordingly.

1.4 Value of Consideration

Transaction	Amount
To waive the right and not to participate in capital injection	Approximately 76,272,000 baht

2. The System (SAS-FM) License Usage Fee and Cost Sharing for Using Service Provided by EUROMONITOR

2.1 Date of agreement

Company	Date of agreement
AEON Financial Service Co.,Ltd. ("AFS")	1. SAS-FM from September 15, 2020 to December 14, 2021 2. EUROMONITOR from August 3, 2020 to August 2, 2021

2.2 Contractual parties with AEONTS

Company	Business	Relationship with AEONTS
AEON Financial Service Co.,Ltd. ("AFS")	Finance	- Major shareholder of AEONTS, holding 35.12% of AEONTS's shares

2.3 General characteristics of transaction

1. SAS-FM: AFS engages with AEONTS for system licenses usage of SAS-FM to analyze profitability and improve productivity such as categorizing customers by cost and revenue to prioritize collection operation.
2. EUROMONITOR: AFS engages in using EUROMONITOR service, the service provider of strategic market research, those contract will be arranged among AFS and its oversea listed subsidiaries such as AEONTS, AEON Financial Service (Hong Kong) Co., Ltd. ("AFS Hong Kong"), AEON Credit Service (M) Berhad ("ACS Malaysia"). By this contract, AEONTS is able to access all information not only Thailand, but also all countries (Cambodia, Myanmar, Laos, and Vietnam) under the single contract and reduce service fee.

2.4 Value of Consideration

Transaction	Amount
SAS-FM Agreement period from September 15, 2020 to December 14, 2021	Approximately 1,860,300 baht (6,625,000 JPY)
Sharing costs with AFS using service provided by EUROMONITOR Agreement period from August 3, 2020 to August 2, 2021	Approximately 907,216 baht (28,962 USD)
Total for Fees	Approximately 2,767,516 baht

Note: Exchange rate as of April 16, 2021: JPY 100 = 29.1028 baht

Note: Exchange rate as of April 22, 2021: USD 1 = 31.4964 baht

Name, position and shareholding proportion of the connected persons

Related company name	Paid up Capital No. of shares	Name of connected persons	Share (s) in related company	% of share in AEONTS
AFS	45,698,196,100 JPY/ 216,010,128 shares	Mr. Hideki Wakabashi ¹	-	-
AFS	45,698,196,100 JPY/ 216,812,956 shares	Mr. Kenji Fujita ²	-	-

Note: ¹ Mr. Hideki Wakabayashi is Chairman of the Board of Directors of AEONTS and the Director and Senior Managing Executive of AFS.

² Mr. Kenji Fujita is the Director of AEONTS and the president and CEO of AFS.

The measurement of transaction

By measurement in percentage of the Company Net Tangible Assets (NTA), total transaction is 79.04 million baht or 0.48% which more than 0.03% but less than 3.00% of NTA of the Company. So this transaction is the connected transaction pursuant to the Notifications which shall be approved by Audit Committee and Board of Directors as well as disclose to the Stock Exchange of Thailand.

In additional, the Company approved the connected transaction within the last six months as follows:

- Board of Director's meeting No. 12/2020 held on December 9, 2020, approved to established the Shared Service Center for Finance and Accounting functions ("FASCC") to reduce a redundant works and increase efficiency of subsidiaries and affiliated companies such as ACS Servicing (Thailand) Co., Ltd, AEON Insurance Service (Thailand) Co., Ltd and ACS Capital Corporation Co., Ltd at the amount of not more than 0.6 million baht. AEONTS provides the support on the business operation to ACS Capital such as Compliance, Risk Management, Internal Audit, Admin/HR and Legal related operations at the amount of not more than 0.74 million baht. ACS Servicing provides the support on debt collection and litigation operations to ACS Capital at the amount of not more than 14.7 million baht. Total transaction amount is 16.04 million baht or 0.11% of the company NTA.
- Board of Director's meeting No. 2/2021 held on February 3, 2021, approved AEONTS and its subsidiaries (ASB Cambodia, ALS Lao, and AMF Myanmar) engage outsourcing service agreement in the system development, maintenance and license of the systems which need for each company's operation from AFS at the amount of 85.45 million baht or 0.57% of the company NTA.

Therefore, the total connected transaction approved by the Board of Directors' meeting in the last six months period including this time was 180.53 million baht or 1.16% of the Company NTA which more than 0.03% of the Company NTA but less than 3% of NTA of the Company. So this transaction is the connected transaction pursuant to the Notification which shall be approved by Audit Committee and Board of Director as well as disclose to the Stock Exchange of Thailand.

Remarks: NTA was as of February 28, 2021

Opinion of the Audit Committee:

The Audit Committee has considered and resolved that the transaction is reasonable and be proposed to the Board of Directors for further approval.

Opinion of the Board of Director:

The Board of Directors has considered the transaction and has opinion that the transaction is necessary, reasonable and not different from the Audit Committee's opinion.

Management Discussion and Analysis

Fiscal year ended February 28, 2021

AEON Thana Sinsap (Thailand) Public Company Limited (“the Company”) has already submitted the audited financial statements for the year ended February 28, 2021 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, the Thai economy in 2020 dropped by 6.1% compared with a growth of 2.3% in the previous year. This was an impact of COVID-19 outbreak, especially on export, tourism and industrial sector. However, economic recovery has been high uncertain from new wave of the COVID-19 pandemic since December 2020. As a result, the domestic tourism sector at the end of the year was restricted again and decrease of consumer’s confidence accordingly.

As of February 28, 2021, the Company’s total cards reached 9.19 million cards, including 2.95 million credit cards, and 6.24 million member cards. 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 103 branches, 411 ATMs, and 6,463 member dealers to provide quality financial services to AEON cardholders. For overseas business in Cambodia, Myanmar and Laos, they have active customers more than 186,724 with representing 7% of total company customers.

The Company and subsidiaries have managed liquidity risk of operating cash flow under the COVID-19 situation with soft loan facilities of 5 billion baht from Government Saving Bank in Thailand. This is not only potentially decreases our funding costs but also stabilized company financial conditions.

Summary of Consolidated Financial Results

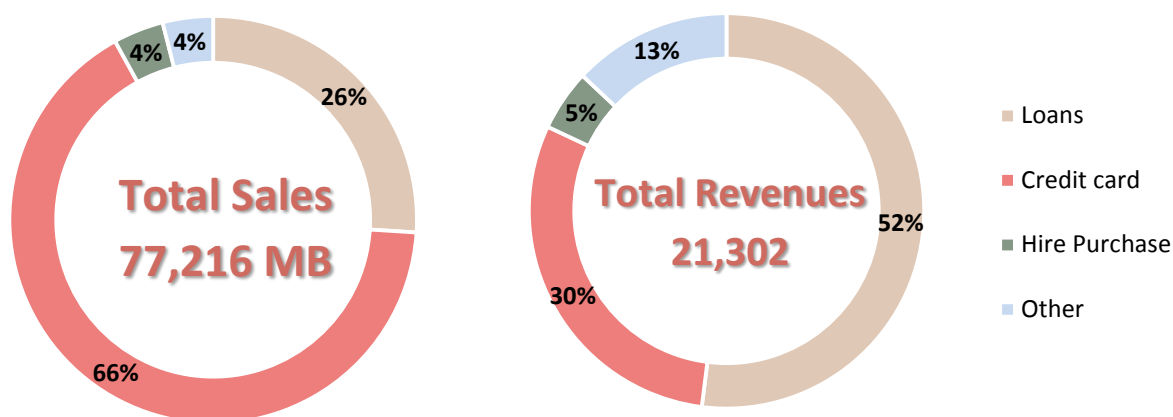
1. Operating Results

Profit and Loss Statement (Consolidated) Unit : Million Baht	4Q/19	3Q/20	4Q/20	%QoQ	%YoY	FY19	FY20	%YoY
Credit card income	1,878	1,529	1,563	2%	-17%	7,529	6,451	-14%
Loan income	3,077	2,616	2,525	-3%	-18%	12,065	11,121	-8%
Hire-purchase income	241	249	276	11%	15%	754	1,014	35%
Other income	969	864	639	-26%	-34%	2,953	2,715	-8%
Total Revenues	6,165	5,257	5,005	-5%	-19%	23,301	21,302	-9%
Operating and administrative expenses	2,337	2,056	2,160	5%	-8%	9,263	8,303	-10%
Expected credit loss	1,872	1,345	883	-34%	-53%	6,646	6,210	-7%
Finance costs	560	515	469	-9%	-16%	2,209	2,096	-5%
Other expenses	26	8	2	-75%	-92%	39	46	18%
Total Expenses	4,795	3,924	3,514	-10%	-27%	18,157	16,655	-8%
Profit before tax income	1,370	1,333	1,419	12%	9%	5,144	4,647	-10%
Income tax expenses	271	297	231	-22%	-15%	1,024	967	-6%
Net profit for the period	1,055	1,009	1,184	17%	12%	3,975	3,690	-7%
Earning Per Share (Baht per share)	4.22	4.04	4.74	17%	12%	15.9	14.76	-7%

Revenues

In the fiscal year ended February 28, 2021, the total consolidated revenues were 21,302 million baht, decreasing of 1,999 million baht or 9% y-y. For the fourth quarter of 2020, the Company's revenues were 5,005 million baht, decreasing 19% y-y. This is a result of the COVID-19 pandemic situation, economic slowdown and a higher household debt, In addition, the Bank of Thailand cut the ceiling rates of interest rates on credit card from 18% to 16% per annum and personal loan from 28% to 25% per annum, effective from August 1, 2020 onward. However, a change of customer behavior to be more cashless society on mobile payments and a promotion during New Year, our credit card shopping showed recovery at 6% q-q supported by domestic consumption in supermarket and online shopping. Moreover our revenue from bad debt recovery continued growing by 18% y-y and the revenue from overseas subsidiaries grew by 10% y-y. Details of each business can be described as follows:

Sales and Revenues Structure for the fiscal year of 2020.



- Credit Card

For the fiscal year 2020, credit card sales accounted for 66% of total turnovers with revenue of 6,451 million baht, a decrease of 1,078 million baht or 14% y-y. For the fourth quarter of 2020, credit card revenue was 1,563 million baht, a decrease of 315 million baht or 17% y-y, mainly resulted from a dropped in credit card spending and cutting in ceiling interest rate for credit card by 2%, which effective in 1st August 2020. 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 2021 campaign to redeem the premiums and vouchers and AEON shop plus 2020 campaign, customers can get a Shopee discount code through AEON THAI MOBILE Application. For overseas business, AEON Specialized Bank (Cambodia) Plc had credit card revenue in the fiscal year of 2020 of 106 million baht, grew by 44% y-y.

- Loans

For the fiscal year 2020, loans shared 26% of total turnovers with the revenue of 11,121 million baht, a decrease of 944 million baht or 8% y-y. In the fourth quarter of 2020, loans revenue was 2,525 million baht, a decrease of 552 million baht or 18% y-y, mainly from a reduction in interest rate ceiling for personal loan by 3%. Moreover, loan income from AEON Specialized Bank (Cambodia) PLC of 316 million baht, grew by 20% y-y and AEON Microfinance (Myanmar) Company Limited of 315 million baht, decreasing by 21% y-y due to COVID-19 lockdown and political turmoil that impacted operation in Yangon and Mandalay. However, the Company has been expanding more online service channels to customers and reduced the Company's operation cost. As a result, the Cardless transactions currently accounted for 30% of total personal loan sales.

- Hire Purchase

For the fiscal year of 2020, motorcycle and used car hire purchase in Thailand and electrical appliances, mobile phones in overseas business, with the revenues of 1,014 million baht, increasing by 260 million baht or 35% y-y mainly from continued growth of hire purchase both in domestic and overseas business. In the fourth quarter of 2020, the Company had hire purchase revenue of 276 million baht, increasing by 35 million baht or 15% y-y. In addition, hire purchase income from AEON Specialized Bank (Cambodia) Plc was 594 million baht, increasing by 26% y-y and AEON Leasing Service (Lao) Company Limited of 114 million baht, which was at the same level as last year.

- Others

For the fiscal year of 2020, other incomes were 2,715 million baht or 13% of total revenues, showing a decrease of 238 million baht or 8% y-y, mainly from reduce of selling Bad debt. Other revenues consist of bad debt recovery, which was 1,230 million baht or 6% of total revenues, gain on sales of written-off receivables was 250 million baht or 1% of total revenues, collection service income was 246 million baht or 1% of total revenues, Commission income was 510 million baht or 2% of total revenues, and others of 479 million baht or 2% of total revenues. Other revenues was mainly from the continued growth of bad debt recovery that increased by 18% y-y caused by the increased of expedite the legal process.

Expenses

The Company's expenses mainly consist of operating and administrative expenses, expected credit loss and finance cost. For the fiscal year of 2020, the Company had total consolidated expenses of 16,655 million baht, a decrease of 1,502 million baht or 8% y-y. For the fourth quarter of 2020, the consolidated expenses were 3,514 million baht, a decrease of 1,281 million baht or 27% y-y. Details of expenses are shown as follows:

- Operating and Administrative Expenses

For the fiscal year of 2020, the consolidated operating and administrative expense were 8,303 million baht, decreasing by 10% y-y. The decrease in operating and administrative expense was mainly from personal expense, transportation expense, and decelerated of marketing activities as well as a decrease in space of property expenses. For the fourth quarter of 2020, the consolidated operating and administrative expenses were 2,160 million baht, decreasing by 8% y-y. However, the Company still maintained effective operating cost control with cost to income ratio at 39% of total revenues. Considering the Company's separate financial statement, the operating and administrative expenses as a percentage of revenues was 37% in the fiscal year of 2020.

- Expected Credit Loss

The consolidated expected credit loss in the fiscal year of 2020 amounted to 6,210 million baht, decreasing by 7% y-y. For the fourth quarter of 2020, the Company recorded expected credit loss of 883 million baht, decreasing by 53% y-y and 34% q-q. Net credit cost was at 5.6% reduced from 6.6% in the third quarter of 2020. Moreover, in the first quarter of 2020, the Company has an additional provision in accordance with the new Financial Reporting Standards (TFRS 9) coupled with provision for future impact of ongoing economic slowdown and management overlay.

- Finance Cost

The Company recorded consolidated finance cost in the fiscal year of 2020 of 2,096 million baht, decreasing by 5% y-y. For the fourth quarter of 2020, the finance cost was 469 million baht, decreasing by 16% y-y and 9% q-q, which the portion of finance cost in the fourth quarter was 9% of total revenues. The average funding cost in the fourth quarter of 2020 was at 2.57% decreased from 2.92% last year.

Net Profit

For the fiscal year of 2020, consolidated operating income was reported at 4,647 million baht, a decrease of 497 million baht or 10% y-y. The Company recorded net profit of 3,690 million baht, a decrease of 286 million baht or 7% y-y, and earning per share was 14.76 baht, which was resulted from higher provision in the first quarter of 2020 with probable forward looking risk factors due to COVID-19 situation. For the fourth quarter of 2020, the Company had consolidated operating income of 1,491 million baht, an increase of 121 million baht or 9% y-y. The Company reported net profit attributed to owners of the parent of 1,184 million baht, an increase of 128 million baht or 12% y-y and 17% q-q, and earning per share was 4.74 baht, mainly contributed by continued growth of bad debt recovery and efficiently control the operation cost.

2. Financial Status

Statement of Financial Position	February 29, 2020	February 28, 2021	Change
Unit : Million Baht		(TFRS 9)	%YoY
Accounts Receivable	90,232	87,433	-3%
Total Assets	95,396	87,389	-8%
Total Borrowing	69,437	62,710	-10%
Total Liabilities	74,271	70,009	-6%
Total Equities	21,125	17,380	-18%
ROE	20.5%	19.5%	-5%
ROA	4.4%	4.0%	-8%
D/E Ratio	3.6	4.0	14%

Total Assets

As of February 28, 2021, consolidated total assets were 87,389 million baht, a decrease of 8,007 million baht or 8% from 95,396 million baht as of February 29, 2020. The main assets were attributed to the portfolio of net account receivables which shared 87% of total assets.

- Accounts Receivable

The Company has accounts receivable of 87,433 million baht as of February 28, 2021, decreased by 3% from as of February 29, 2020. The decrease was attributed mainly from the reducing of trading volume caused by the COVID-19 pandemic. This can be categorized by business type as follows: credit card receivable of 36,088 million baht, decreasing by 2% y-y; loans receivable of 45,332 million baht, decreased by 6% y-y; hire purchase receivable of 5,848 million baht, increasing by 13% y-y and others receivable of 165 million baht decreased by 1% from last year accordingly.

- Allowance for expected credit loss

As of February 28, 2021, the Company provided allowance for doubtful accounts of 11,593 million baht or 13.3% of total accounts receivable, increasing from 3,962 million baht or 4.39% of total accounts receivable at the end of previous fiscal year, which was resulted from the adoption of accounting standard TFRS 9 by calculating the expected credit loss (ECL Model) together with probable forward looking macroeconomic factors and also additional management overlay. The delinquent account receivables for 3 months and up was 5.24% in the fiscal year of 2020 increased from 3.70% at the end of previous year. For default receivables in credit risk (Stage 3) was 5.77% of total accounts receivable due to some of the customers who joined the grace period in Thailand and overseas and decreased trading volume in the second wave of COVID-19 situation from January to February of 2021. In the fourth quarter of 2020, the consolidated coverage ratio of allowance for expected credit loss to NPL (NPL Coverage ratio) was at 230%.

Liabilities

The consolidated liabilities of the Company as of February 28, 2021 totaling 70,009 million baht, a decrease of 4,262 million baht or 6% from 74,270 million baht at the end of previous year. There were both short-term and long-term borrowings totally 62,709 million baht, decreasing by 10% from the end of last year. The portion of long-term borrowings was 45,335 million baht or represented 72% of total borrowings. 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 cross currency interest rate swap contracts to hedge its debt. However, the Company has unused unsecured revolving credit facilities as of February 28, 2021 totaling 3 billion baht and unused uncommitted facilities with foreign banks totaling 5.5 billion baht, which is enough to drive the Company's operation. The Company also has the debentures totaling 3.4 billion baht that will mature in the next 12 months, which the Company can issue the replacement debentures or use a working capital to repay those debentures.

Shareholders' Equity

As of February 28, 2021, total shareholders' equity amounted to 17,380 million baht, a decrease of 3,745 million baht or 18% from the end of fiscal year 2019, reflected the adoption of ECL model, hedge accounting and leases standard (IFRS 16). Consequently, Book value as of February 28, 2021 was 68.2 baht per share, decreased from that of 82.9 baht per share as of February 29, 2020.

Debt to Equity ratio as of February 28, 2021 was at 4.0 times increased from 3.6 times at the end of 2019 while the Company considers it is within the appropriate range to appreciate leverage and maintaining acceptable credit rating. Return on Equity (ROE) and Return on Asset (ROA) for the fiscal year of 2020 are 19.5% and 4.0%, respectively.

Key Financial Ratio	4Q19	4Q20	FY19	FY20
Net Profit Margin (%)	17.1%	23.6%	17.1%	17.3%
Interest Coverage ratio (Times)	3.5	4.2	3.3	3.2
Allowance for Expected Credit Loss/ Total Receivables (%)	4.4%	13.3%	4.4%	13.3%
NPL Coverage Ratio (%)	119%	230%	119%	230%
Cost to Income (%)	38.3%	43.2%	39.8%	39.0%
Book Value per Share (Baht)	82.9	68.2	82.9	68.2
EPS (Baht)	4.22	4.74	15.90	14.76