

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED

We have audited the consolidated financial statements of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate financial statements of AEON Thana Sinsap (Thailand) Public Company Limited, which comprise the consolidated and separate statements of financial position as at February 20, 2014 and the related consolidated and separate statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and of AEON Thana Sinsap (Thailand) Public Company Limited as at February 20, 2014, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

BANGKOK
April 17, 2014

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT FEBRUARY 20, 2014

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6.1	2,434,732	2,186,552	1,801,656	1,519,043
Temporary investments	7	-	1,550,000	-	-
Accounts receivable and other receivables					
Accounts receivable	8	51,910,846	42,890,413	51,245,716	42,332,251
Other receivables	9	326,053	242,132	432,810	297,204
Seller loan in Special Purpose Vehicle for Securitization due within one year	12	-	-	-	2,650,878
Subordinated lendings due within one year	13	-	1,438,000	-	1,438,000
Receivables per currency swap contracts	22	561,066	50,096	561,066	50,096
Other current assets		40,118	54,178	38,047	38,225
Total Current Assets		<u>55,272,815</u>	<u>48,411,371</u>	<u>54,079,295</u>	<u>48,325,697</u>
NON-CURRENT ASSETS					
Accounts receivable	8	1,105,964	883,599	931,002	852,841
Fixed deposits at banks under obligations	10	13,416	3,366	-	-
Investments in subsidiaries	11.1	-	-	542,372	385,707
Other long-term investments					
Related companies	11.2	43,536	43,536	43,536	43,536
Other company	11.3	-	10	-	10
Seller loan in Special Purpose Vehicle for Securitization	12	-	-	466,490	-
Subordinated lendings	13	1,399,352	-	1,399,352	-
Leasehold improvement and equipment	14	716,926	534,209	617,897	475,355
Intangible assets	15	620,158	707,718	553,681	629,666
Receivables per currency swap contracts	22 and 23	949,752	16,849	949,752	16,849
Deferred tax assets	16	354,675	297,904	337,679	278,522
Other non-current assets	17	159,989	114,692	150,196	107,794
Total Non-Current Assets		<u>5,363,768</u>	<u>2,601,883</u>	<u>5,991,957</u>	<u>2,790,280</u>
TOTAL ASSETS		<u><u>60,636,583</u></u>	<u><u>51,013,254</u></u>	<u><u>60,071,252</u></u>	<u><u>51,115,977</u></u>

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT FEBRUARY 20, 2014

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	18	1,632,245	3,401,172	1,310,000	3,335,000
Short-term loan from a related company	19	-	-	50,000	-
Accounts payable and other payables					
Accounts payable		576,676	575,601	431,000	476,066
Other payables	20	1,261,260	1,035,580	1,371,949	1,424,438
Current portion of :					
Liabilities under finance lease agreements	21	1,305	14,775	-	-
Long-term loans	22	10,309,600	10,234,408	10,309,600	10,234,408
Accrued income tax		372,023	167,900	288,846	107,020
Payables per currency swap contracts	22	333,201	529,536	333,201	529,536
Other current liabilities		55,429	116,648	31,356	108,821
Total Current Liabilities		<u>14,541,739</u>	<u>16,075,620</u>	<u>14,125,952</u>	<u>16,215,289</u>
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreements	21	-	1,305	-	-
Long-term loans	22	31,404,513	23,256,317	31,404,513	23,256,317
Long-term debentures	23	4,909,679	3,086,843	4,909,679	3,086,843
Payables per currency swap contracts	22 and 23	802,168	1,287,773	802,168	1,287,773
Employee benefit obligations	24	58,953	44,659	53,549	40,578
Other non-current liabilities		12,082	2,700	7,297	-
Total Non-Current Liabilities		<u>37,187,395</u>	<u>27,679,597</u>	<u>37,177,206</u>	<u>27,671,511</u>
TOTAL LIABILITIES		<u>51,729,134</u>	<u>43,755,217</u>	<u>51,303,158</u>	<u>43,886,800</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT FEBRUARY 20, 2014

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY	25				
SHARE CAPITAL					
Authorized share capital					
250,000,000 ordinary shares of Baht 1 each		250,000	250,000	250,000	250,000
Issued and paid-up share capital					
250,000,000 ordinary shares of Baht 1 each, fully paid		250,000	250,000	250,000	250,000
PREMIUM ON ORDINARY SHARE CAPITAL		478,000	478,000	478,000	478,000
RETAINED EARNINGS					
Appropriated					
Legal reserve	26	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		3,292,818	1,655,290	3,165,094	1,626,177
OTHER COMPONENTS OF EQUITY	28				
Exchange differences on translating financial statements of a foreign operation		9,954	(312)	-	-
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		8,905,772	7,257,978	8,768,094	7,229,177
NON-CONTROLLING INTERESTS		1,677	59	-	-
TOTAL SHAREHOLDERS' EQUITY		8,907,449	7,258,037	8,768,094	7,229,177
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		60,636,583	51,013,254	60,071,252	51,115,977

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF INCOME

FOR THE YEAR ENDED FEBRUARY 20, 2014

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
REVENUES					
Credit card income	29	5,497,224	4,632,622	5,194,684	4,328,442
Loan income		8,157,005	6,119,170	8,162,218	6,125,427
Hire purchase income		307,332	236,323	233,884	224,838
Other income					
Bad debt recovery		678,194	730,788	674,964	692,312
Collection service income		154,882	126,522	32,728	42,512
Commission income		217,327	180,325	-	-
Gain (loss) on sale of leasehold improvement and equipment and intangible assets		1,433	(429)	1,429	(420)
Others		221,402	207,024	165,522	141,974
Total other income		1,273,238	1,244,230	874,643	876,378
Total Revenues		15,234,799	12,232,345	14,465,429	11,555,085
EXPENSES					
Operating and administrative expenses		6,086,119	4,877,129	5,754,214	4,647,458
Directors and managements' remuneration	30	107,760	90,734	79,497	70,376
Bad debts and doubtful accounts		3,842,833	3,129,141	3,765,075	3,090,729
Finance costs		2,060,914	1,780,543	1,953,638	1,679,047
Total Expenses		12,097,626	9,877,547	11,552,424	9,487,610
INCOME BEFORE INCOME TAX EXPENSES		3,137,173	2,354,798	2,913,005	2,067,475
INCOME TAX EXPENSE	33	635,708	598,373	510,105	414,195
NET PROFIT FOR THE YEAR		2,501,465	1,756,425	2,402,900	1,653,280
NET PROFIT ATTRIBUTABLE TO :					
Owners of the parent		2,501,435	1,688,466	2,402,900	1,653,280
Non-controlling interests		30	67,959	-	-
		2,501,465	1,756,425	2,402,900	1,653,280
BASIC EARNINGS PER SHARE	BAHT	10.01	6.75	9.61	6.61
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 SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED FEBRUARY 20, 2014

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Net profit for the year		2,501,465	1,756,425	2,402,900	1,653,280
Other comprehensive income (loss)					
Exchange differences on translating					
financial statements of a foreign operation	28	10,266	(488)	-	-
Actuarial loss from actuarial assumptions net income tax		(1,605)	(5,465)	(1,681)	(5,465)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,510,126</u>	<u>1,750,472</u>	<u>2,401,219</u>	<u>1,647,815</u>
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO :					
Owners of the parent		2,510,096	1,682,513	2,401,219	1,647,815
Non-controlling interests		30	67,959	-	-
		<u>2,510,126</u>	<u>1,750,472</u>	<u>2,401,219</u>	<u>1,647,815</u>

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED FEBRUARY 20, 2014

BAHT '000

Notes	CONSOLIDATED FINANCIAL STATEMENTS							Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Owners of the parent Retained earnings		Other components of equity	Total owners of the parent			
			Appropriated Legal reserve	Unappropriated Reserve for business expansion	of equity Exchange differences on translating financial statements of a foreign operation				
Beginning balance, as at February 21, 2012	250,000	478,000	25,000	4,650,000	721,927	176	6,125,103	256,733	6,381,836
Changes during the year									
Increase in share capital from non-controlling interests in subsidiaries	25	-	-	-	-	-	-	178,000	178,000
Reserve for business expansion	25	-	-	200,000	(200,000)	-	-	-	-
Dividend paid	25	-	-	-	(262,208)	-	(262,208)	(178,030)	(440,238)
Interim dividend paid	25	-	-	-	(287,430)	-	(287,430)	-	(287,430)
Net profit for the year		-	-	-	1,688,466	-	1,688,466	67,959	1,756,425
Other comprehensive loss		-	-	-	(5,465)	(488)	(5,953)	-	(5,953)
Repayment from dissolution in a subsidiary	25	-	-	-	-	-	-	(30)	(30)
Repayment to non-controlling interests from business combination under common control	3	-	-	-	-	-	-	(324,573)	(324,573)
Ending balance, as at February 20, 2013	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>1,655,290</u>	<u>(312)</u>	<u>7,257,978</u>	<u>59</u>	<u>7,258,037</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED FEBRUARY 20, 2014

BAHT '000

Notes	CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)						Non-controlling interests	Total shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	Owners of the parent Retained earnings		Other components of equity	Total owners of the parent			
			Appropriated Legal reserve	Unappropriated Reserve for business expansion	of equity Exchange differences on translating financial statements of a foreign operation				
Beginning balance, as at February 21, 2013	250,000	478,000	25,000	4,850,000	1,655,290	(312)	7,257,978	59	7,258,037
Changes during the year									
Increase in share capital from non-controlling interests in subsidiaries	-	-	-	-	-	-	-	30	30
Dividend paid	-	-	-	-	(462,356)	-	(462,356)	(30)	(462,386)
Interim dividend paid	-	-	-	-	(399,946)	-	(399,946)	-	(399,946)
Net profit for the year	-	-	-	-	2,501,435	-	2,501,435	30	2,501,465
Other comprehensive income (loss)	-	-	-	-	(1,605)	10,266	8,661	-	8,661
Change in shareholding in subsidiary company	-	-	-	-	-	-	-	1,588	1,588
Ending balance, as at February 20, 2014	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>3,292,818</u>	<u>9,954</u>	<u>8,905,772</u>	<u>1,677</u>	<u>8,907,449</u>

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED FEBRUARY 20, 2014

BAHT '000

	Notes	SEPARATE FINANCIAL STATEMENTS				Unappropriated	Total shareholders' equity
		Issued and paid-up share capital	Premium on ordinary shares	Appropriated Legal reserve	Retained earnings Reserve for business expansion		
Beginning balance, as at February 21, 2012		250,000	478,000	25,000	4,650,000	728,000	6,131,000
Changes during the year							
Reserve for business expansion	25	-	-	-	200,000	(200,000)	-
Dividend paid	25	-	-	-	-	(262,208)	(262,208)
Interim dividend paid	25	-	-	-	-	(287,430)	(287,430)
Net profit for the year		-	-	-	-	1,653,280	1,653,280
Other comprehensive loss		-	-	-	-	(5,465)	(5,465)
Ending balance, as at February 20, 2013		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>1,626,177</u>	<u>7,229,177</u>
Beginning balance, as at February 21, 2013		250,000	478,000	25,000	4,850,000	1,626,177	7,229,177
Changes during the year							
Dividend paid	25	-	-	-	-	(462,356)	(462,356)
Interim dividend paid	25	-	-	-	-	(399,946)	(399,946)
Net profit for the year		-	-	-	-	2,402,900	2,402,900
Other comprehensive loss		-	-	-	-	(1,681)	(1,681)
Ending balance, as at February 20, 2014		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>3,165,094</u>	<u>8,768,094</u>

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED FEBRUARY 20, 2014

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax		3,137,173	2,354,798	2,913,005	2,067,475
Adjustments for:					
Bad debts and doubtful accounts		3,842,833	3,129,141	3,765,075	3,090,729
Depreciation		253,033	230,148	225,693	205,520
Amortization of intangible assets		291,075	333,655	260,007	300,305
Employee benefit expense		12,288	8,522	10,869	7,535
(Gain) loss on sale of leasehold improvement and equipment		(1,498)	429	(1,494)	420
Loss on sale of intangible assets		65	-	65	-
Loss on written-off of intangible assets		27,745	-	27,745	-
Interest income		(7,891,401)	(6,500,396)	(7,014,107)	(5,341,530)
Finance cost		2,060,914	1,780,543	1,953,638	1,679,047
		<u>1,732,227</u>	<u>1,336,840</u>	<u>2,140,496</u>	<u>2,009,501</u>
Operating assets (increase) decrease					
Accounts receivable and other receivables		(12,530,913)	(10,635,806)	(17,847,894)	(21,175,778)
Other current assets		20,233	(12,651)	8,373	2,835
Other non-current assets		(6,855)	(6,291)	(12,155)	(2,701)
Operating liabilities increase (decrease)					
Accounts payable and other payables		73,629	300,021	21,415	267,001
Other current liabilities		(67,400)	(1,541)	(77,465)	(5,431)
Other non-current liabilities		9,382	2,700	7,297	-
Cash paid for operations		(10,769,697)	(9,016,728)	(15,759,933)	(18,904,573)
Proceeds from interest income		7,252,405	6,515,785	6,424,309	5,332,007
Finance cost paid		(1,952,623)	(1,786,788)	(1,846,128)	(1,685,989)
Income tax paid		(487,948)	(539,826)	(387,015)	(364,600)
Net cash used in operating activities		<u>(5,957,863)</u>	<u>(4,827,557)</u>	<u>(11,568,767)</u>	<u>(15,623,155)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceed from redemption of temporary investments		1,550,000	250,000	-	-
Cash paid for temporary investments		-	(1,550,000)	-	-
Cash paid for fixed deposits at banks under obligations		(10,050)	(555)	-	-
Cash paid for purchases of leasehold improvement and equipment		(451,148)	(260,518)	(383,618)	(242,470)
Cash paid for investment in intangible assets		(239,192)	(144,986)	(219,700)	(132,769)
Proceeds from sale of leasehold improvement and equipment		12,910	726	12,891	722
Proceeds from sale of intangible assets		1,155	-	1,155	-
Cash paid for capital refund of subsidiary		-	(34)	-	-
Proceeds from capital refund from other company		10	-	10	-

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED FEBRUARY 20, 2014

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES					
(CONTINUED)					
Proceeds from sales of investment in subsidiary		1,588	-	9,308	-
Cash paid for business combination		-	(324,573)	-	(324,573)
Cash paid for investment in subsidiaries		-	-	(165,972)	(31,143)
Net cash provided by (used in) investing activities		<u>865,273</u>	<u>(2,029,940)</u>	<u>(745,926)</u>	<u>(730,233)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from sale of additional revolving receivables under securitization projects		-	-	7,457,740	9,151,030
Proceeds from sale of written-off accounts receivable		-	228,360	-	228,360
Proceeds from redemption of subordinated lending		1,438,000	592,530	1,438,000	592,530
Cash repayments for subordinated lending		(1,399,352)	-	(1,399,352)	-
Proceeds from bank overdrafts and short-term loans from financial institutions		103,307,141	45,943,339	102,641,233	45,827,000
Cash repayments for bank overdrafts and short-term loans from financial institutions		(105,076,067)	(43,152,167)	(104,666,233)	(43,102,000)
Proceeds from short-term loans from subsidiary		-	-	50,000	-
Proceeds from long-term debentures		1,487,850	1,559,000	1,487,850	1,559,000
Cash repayments for long-term debentures		-	(1,000,000)	-	(1,000,000)
Proceeds from long-term loans		17,167,485	13,412,140	17,167,485	13,412,140
Cash repayments for long-term loans		(10,717,115)	(9,737,195)	(10,717,115)	(9,737,195)
Cash payments for finance lease agreements		(15,136)	(27,975)	-	-
Proceeds from increased share capital in subsidiaries before business combination under common control		-	178,000	-	-
Proceeds from ordinary shares issued of subsidiary		30	-	-	-
Dividend paid		(462,386)	(440,238)	(462,356)	(262,208)
Interim dividend paid		(399,946)	(287,430)	(399,946)	(287,430)
Net cash provided by financing activities		<u>5,330,504</u>	<u>7,268,364</u>	<u>12,597,306</u>	<u>16,381,227</u>
Net increase in cash and cash equivalents		237,914	410,867	282,613	27,839
Increase (decrease) in exchange differences on translating financial statements of a foreign operation		10,266	(488)	-	-
Cash and cash equivalents at beginning of the year		<u>2,186,552</u>	<u>1,776,173</u>	<u>1,519,043</u>	<u>1,491,204</u>
Cash and cash equivalents at the end of the year	6.1	<u><u>2,434,732</u></u>	<u><u>2,186,552</u></u>	<u><u>1,801,656</u></u>	<u><u>1,519,043</u></u>

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

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED FEBRUARY 20, 2014**

1. OPERATIONS AND GENERAL INFORMATION

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 business in credit card, hire purchase and personal loans.

As at February 20, 2014 and 2013, the Company has 116 branches and 100 branches, respectively.

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

The Company has subsidiaries which are under its control in finance and operations as mentioned in Notes 2.5 and 11.1.

On March 14, 2013, Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6), a new subsidiary of the Company, was registered as a special purpose company under the Civil and Commercial Code of Thailand and the Securitization Law. The main objective of Eternal 6 is to operate as a special purpose juristic person in securitization project and to engage in any activities for the purpose of implementing or facilitating the securitization in accordance with the securitization projects approved by the Office of the Securities and Exchange Commission of Thailand ("the SEC") on May 10, 2013. On May 14, 2013, the Company entered into the Receivables Sales and Purchase Agreement with Eternal 6 of Baht 4,500 million (see Note 8.5).

On July 1, 2013, ACS Insurance Broker (Thailand) Company Limited ("ACSB") and ACS Life Insurance Broker (Thailand) Company Limited ("ACSL"), the Company's subsidiaries have been amalgamated and formed to a new company namely AEON Insurance Service (Thailand) Company Limited. The new company's objective is to carry on business of non-life insurance broker and life insurance broker. All rights and obligation of ACSB and ACSL shall be automatically transferred to the new company by virtue of the Civil and Commercial Code in the section of Amalgamation of Limited Companies. The assets and liabilities which were transferred to the new company as at July 1, 2013, were in the amount of Baht 415 million and Baht 229 million, respectively.

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

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

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

- 2.2 The consolidated and separate financial statements are prepared in compliance with TAS 1 (Revised 2009) "Presentation of Financial Statements" and the Notification of the Department of Business Development dated September 28, 2011 regarding "The Brief Particulars in the Financial statements B.E. 2554" and disclose additional information as per the regulation of the SEC.

- 2.3 The consolidated financial statements for the years ended February 20, 2014 and 2013 included the accounts of the Company and its subsidiaries. Significant transactions and balances between the Company and the subsidiaries have been eliminated.

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

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

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

- 2.4 The Company applies the acquisition method for business combinations other than those with entities under common control. Acquisition cost is measured at the consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

For the business combinations under common control, the Company applies the similar to pooling of interests method in accordance with accounting guideline of business combinations under common control. The assets and liabilities included in the consolidated financial statements are recognized at the book values of identifiable assets and liabilities of the entities under common control at the date of business combinations.

Transaction costs that the Company incurs in connection with the business combination, such as legal fees and other professional and consulting fees are expensed as incurred.

2.5 For the years ended February 20, 2014 and 2013, the subsidiaries included in the consolidated financial statements are as follows:

	Business type	Country of Registration	Registration Date	Percentage of direct and indirect holdings	
				2013	2012
Eternal 3 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	December 21, 2005	- *	26.00
Eternal 4 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	February 22, 2007	26.00**	26.00
Eternal 5 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	April 5, 2010	26.00***	26.00
Eternal 6 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	March 14, 2013	26.00	-
AEON Microfinance (Cambodia) Private Company Limited	Retail finance business	Cambodia	October 5, 2011	100.00	100.00
AEON Insurance Service (Thailand) Company Limited****	Non-life insurance broker and life insurance broker	Thailand	July 1, 2013	100.00	-
ACS Insurance Broker (Thailand) Company Limited****	An agency for non-life insurance	Thailand	January 26, 2005	-	100.00
ACS Life Insurance Broker (Thailand) Company Limited****	An agency for life insurance broker	Thailand	October 11, 2006	-	100.00
ACS Servicing (Thailand) Company Limited	Collection servicer	Thailand	March 13, 2007	100.00	100.00
AEON Microfinance (Myanmar) Company Limited	Retail finance	Myanmar	November 2, 2012	100.00	100.00
AEON Leasing Service (Lao) Company Limited	Retail finance	Laos	January 11, 2013	95.00*****	100.00

* Eternal 3 Special Purpose Vehicle Company Limited had already registered the completion of the liquidation process with Department of Business Development, Ministry of Commerce on November 9, 2012 (see Note 8.5).

** Eternal 4 Special Purpose Vehicle Company Limited had already registered the dissolution with the Department of Business Development, Ministry of Commerce on February 20, 2013 (see Notes 8.5 and 11.1).

*** Eternal 5 Special Purpose Vehicle Company Limited has already registered the dissolution with the Department of Business Development, Ministry of Commerce on August 20, 2013 (see Notes 8.5 and 11.1).

**** AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

***** The Company holds shares indirectly through ACS Servicing (Thailand) Company Limited and AEON Insurance Service (Thailand) Company Limited with 13% and 13% shareholding, respectively.

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

2.6 The Federation of Accounting Professions has issued the Notifications regarding the Thai Financial Reporting Standards (TFRSs), which have been announced in the Royal Gazette as follows:

- 1) Thai Accounting Standard (TAS), Thai Financial Reporting Standard (TFRS), Thai Accounting Standard Interpretation (TSI) and Thai Financial Reporting Interpretation (TFRI) which are effective for the financial statements for the periods beginning on or after January 1, 2014:

Thai Accounting Standard (TAS)

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interests in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of Assets
TAS 38 (Revised 2012)	Intangible Assets

The Financial Reporting Standard (TFRS)

TFRS 2 (Revised 2012)	Share-based Payment
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

Thai Accounting Standard Interpretation (TSI)

TSI 15	Operating Leases – Incentives
TSI 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSI 29	Disclosure - Service Concession Arrangements
TSI 32	Intangible Assets - Web Site Costs

Thai Financial Reporting Interpretations (TFRI)

TFRI 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4	Determining Whether an Arrangement Contains a Lease
TFRI 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRI 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRI 10	Interim Financial Reporting and Impairment
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes
TFRI 17	Distributions of Non-cash Assets to Owners
TFRI 18	Transfer of Assets From Customers

- 2) TFRS which is effective for the financial statements for the periods beginning on or after January 1, 2016:

The Financial Reporting Standard (TFRS)
TFRS 4 Insurance contract

The Company and its subsidiaries' managements will adopt the above TFRSs relevant to the Company and its subsidiaries in the preparation of the Company and its subsidiaries' financial statements when they become effective. The Company's management is in the process of assessing the impact of these standards on the financial statements for the period in which they are initially applied.

3. BUSINESS COMBINATIONS UNDER COMMON CONTROL

On September 1, 2012, the Company entered into the share sale and purchase agreement with ACS Capital Corporation Limited ("ACS Capital"), a major shareholder, for the acquisition of 100.00% shares in 3 related companies comprising ACS Insurance Broker (Thailand) Company Limited ("ACSB"), ACS Life Insurance Broker (Thailand) Company Limited ("ACSL") and ACS Servicing (Thailand) Company Limited ("ACSS") from ACS Capital. The acquisition prices to be sold and purchased are the net book values based on the audited financial statements as at August 31, 2012 of such 3 related companies as follows:

Company	Business type	Date of Acquisition	Number of shares acquired Shares	Proportion of shares acquired %	Acquisition Price Baht '000
ACSB	Non-life insurance broker	September 1, 2012	5,999,997	100.00	90,844
ACSL	Life insurance broker	September 1, 2012	3,999,997	100.00	58,380
ACSS	Collection servicer	September 1, 2012	14,799,997	100.00	175,349
					<u>324,573</u>

On September 25, 2012, the Company paid for the acquisition of shares to ACS Capital amounting to Baht 324.57 million. Such share sale and purchase is regarded as the business combination under common control transaction which the Company adjusted the consolidated financial statement for the year ended February 20, 2013, as if the business combination has always been in use.

4. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since February 21, 2013, the Company and subsidiaries have adopted the new and revised Thai Financial Reporting Standards (TFRSs) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2013 onwards, in the preparation and presentation of these financial statements. Details of such TFRSs adopted in these financial statements are as follows:

4.1 TAS 12 “Income taxes”

The Company and its subsidiaries had early adopted TAS 12 “Income Taxes” before the effective date, by changing from the accrual basis, based on the taxable profit for the year, to deferred income tax. Therefore, this standard did not have significant impact on the financial statements for the year ended February 20, 2014.

4.2 TAS 21 (revised 2009) “The Effects of Changes in Foreign Exchange Rates”

TAS 21 (revised 2009) “The Effects of Changes in Foreign Exchange Rates” has required the Company and its subsidiaries to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation. Management has determined that the functional currency of the Company is Thai Baht; therefore, the adoption of such TFRS has no significant impact on the Company and subsidiaries’ financial statements.

4.3 TFRS 8 “Operating Segments”

TFRS 8 “Operating Segments” changed requirements about the presentation and disclosure of information on operating segments in the financial statements. Therefore, it affected the presentation and disclosure of segment information based on the internal reports provided to the Company and its subsidiaries’ Chief Operating Decision Maker to make decisions about assessing the performance of each segment and allocating resources to those segments, which the Company and its subsidiaries have disclosed segment information for the year ended February 20, 2014 and 2013 in Note 36.

5. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies.

5.1 Cash and cash equivalents

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

5.2 Accounts receivable

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

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

5.3 Allowance for doubtful accounts and bad debts

The Company and subsidiaries' allowance for doubtful accounts have been complied with the notification of the Office of the Securities and Exchange Commission by fully providing for all receivables which are over 3 installments contractually past due. The Company has written off debts that are determined to be irrecoverable.

Furthermore, the Company and subsidiaries had set aside an additional allowance for doubtful accounts by taking into consideration the estimated collection losses on receivables at the end of the year. Such estimated losses are based on the Company's collection experience.

Bad debt recovery is recorded as income in the statements of income when received.

5.4 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 income.

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

5.5 Securitization transactions

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

For securitization transactions under the Projects which were approved by the SEC since February 3, 2006, the Company recognized the sales of credit card receivables to a Special Purposes Vehicle (“Securitization Plan”), according to the approval conditions required by the SEC. The conditions related to the accounting treatment are as follows:

- (1) The Company will prepare its financial statements in accordance with the accounting standards and exposure draft of the accounting guideline issued by the Federation of Accounting Professions. Therefore, the Company will prepare consolidated financial statements to combine the financial statements of Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4), Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) and Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6).
- (2) The Company is able to derecognize the credit card receivables, which were transferred to the SPV, and the debentures under the securitization project in the amount that the risks and rewards on the receivables have been transferred to the debenture holders for both initial receivables transferred on the initial cut off date and additional revolving receivables transferred during the revolving period.

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

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

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

5.6 Investments

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

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

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

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

5.7 Leasehold improvement and equipment

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

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

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

5.8 Intangible assets

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

5.9 Assets and liabilities in foreign currencies

5.9.1 Functional currency and presentation currency

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

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

5.9.2 Translation of foreign currency transaction

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

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

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

5.9.3 Translation of financial statements of foreign operations

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

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

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

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

5.10 Financial instruments

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

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

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

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

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

5.11 Lease agreements

Finance lease agreements

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

5.12 Recognition of revenues and expenses

Interest income from purposed loan (since February 21, 2008), hire-purchase receivable (since February 21, 2008), credit card receivable and personal loan are recognized on an accrual basis which is calculated by the effective interest method.

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

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

Collection service income is recognized when debt is collected.

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

Other income and expense are recognized on an accrual basis.

5.13 Employee Benefits

5.13.1 Provident Fund

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

5.13.2 Post-employment benefits

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

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

5.14 Income tax expense

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

5.14.1 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 income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted at the financial statement date.

5.14.2 Deferred tax

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

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

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

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

5.15 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.

5.16 Significant use of accounting judgments and estimations

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

(1) Allowance for doubtful accounts and bad debts

The determination of the additional allowance for doubtful accounts from the notification of the SEC requires the use of various assumptions and judgments by the management, which includes the estimated collection losses on receivables, based on the Company's collection experience. The management reviews these estimates and assumptions on a regular basis.

(2) Fair value of financial instruments

For the disclosures of fair value of financial instruments, management's considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value.

6. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

6.1 Cash and cash equivalents as at February 20, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht' 000	Baht' 000	Baht' 000	Baht' 000
Cash	867,109	807,202	861,615	799,626
Deposits at bank - call deposits	1,567,623	1,069,350	940,041	719,417
Fixed deposits with maturity within 3 months from acquisition date	-	310,000	-	-
Cash and cash equivalents	<u>2,434,732</u>	<u>2,186,552</u>	<u>1,801,656</u>	<u>1,519,043</u>

6.2 Cash paid for purchase of leasehold improvement and equipment and intangible assets for the years ended February 20, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Leasehold improvement and equipment				
Liabilities recorded - brought forward	38,474	81,886	38,474	81,886
Purchase of leasehold improvement and equipment	<u>447,162</u>	<u>217,106</u>	<u>379,632</u>	<u>199,058</u>
	485,636	298,992	418,106	280,944
<u>Less</u> Cash payments for purchase of leasehold improvement and equipment	<u>(451,148)</u>	<u>(260,518)</u>	<u>(383,618)</u>	<u>(242,470)</u>
Liabilities recorded - carried forward	<u>34,488</u>	<u>38,474</u>	<u>34,488</u>	<u>38,474</u>
Intangible assets				
Liabilities recorded - brought forward	10,234	-	10,234	-
Purchase of intangible assets	<u>240,675</u>	<u>155,220</u>	<u>221,183</u>	<u>143,003</u>
	250,909	155,220	231,417	143,003
<u>Less</u> Cash payments for investment in intangible assets	<u>(239,192)</u>	<u>(144,986)</u>	<u>(219,700)</u>	<u>(132,769)</u>
Liabilities recorded - carried forward	<u>11,717</u>	<u>10,234</u>	<u>11,717</u>	<u>10,234</u>

6.3 During the years ended February 20, 2014 and 2013, the Company had non-cash item relating to sale of the right on credit card receivables as the Company sold additional revolving credit card receivables to subsidiaries during the revolving period or repurchased the right on credit card receivables which was settled by decreasing the Seller Participation Account of Baht 2,184.39 million and increasing of Baht 790.45 million, respectively, instead of cash receipt.

7. TEMPORARY INVESTMENTS

Temporary investments as at February 20, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2014	2013
	Baht '000	Baht '000
Fixed deposits with maturity more than 3 months from acquisition date	-	1,550,000
	<u>-</u>	<u>1,550,000</u>

As at February 20, 2013, a subsidiary invested in fixed deposits of a financial institution in Thailand in the amount of Baht 1,550 million carrying interest at the rates of 2.02% - 2.33% per annum and due within September 2013. As at February 20, 2014, such temporary investments were already redeemed.

8. ACCOUNTS RECEIVABLE

8.1 Accounts receivable as at February 20, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS					
	2014			2013		
	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	992,994	610,883	1,603,877	755,390	374,020	1,129,410
<u>Less</u> Unearned financing income	<u>(186,073)</u>	<u>(66,650)</u>	<u>(252,723)</u>	<u>(159,254)</u>	<u>(53,246)</u>	<u>(212,500)</u>
	806,921	544,233	1,351,154	596,136	320,774	916,910
<u>Less</u> Allowance for doubtful accounts	<u>(25,743)</u>	<u>(720)</u>	<u>(26,463)</u>	<u>(30,597)</u>	<u>(136)</u>	<u>(30,733)</u>
Hire-purchase and accrued interest receivable - net	<u>781,178</u>	<u>543,513</u>	<u>1,324,691</u>	<u>565,539</u>	<u>320,638</u>	<u>886,177</u>
Loans receivable						
Loans and accrued interest receivable	33,341,396	562,451	33,903,847	28,258,743	562,961	28,821,704
<u>Less</u> Allowance for doubtful accounts	<u>(1,350,268)</u>	<u>-</u>	<u>(1,350,268)</u>	<u>(1,154,756)</u>	<u>-</u>	<u>(1,154,756)</u>
Loans and accrued interest receivable - net	<u>31,991,128</u>	<u>562,451</u>	<u>32,553,579</u>	<u>27,103,987</u>	<u>562,961</u>	<u>27,666,948</u>

CONSOLIDATED FINANCIAL STATEMENTS

	2014			2013		
	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
Credit card receivable						
Credit card and accrued interest receivable	19,553,174	-	19,553,174	15,578,689	-	15,578,689
<u>Less</u> Allowance for doubtful accounts	(535,377)	-	(535,377)	(434,516)	-	(434,516)
Credit card and accrued interest receivable - net	19,017,797	-	19,017,797	15,144,173	-	15,144,173
Receivable from rendering the collection service	5,869	-	5,869	4,557	-	4,557
Receivable from insurance broker business	114,874	-	114,874	72,157	-	72,157
Total accounts receivable	<u>51,910,846</u>	<u>1,105,964</u>	<u>53,016,810</u>	<u>42,890,41</u>	<u>883,599</u>	<u>43,774,012</u>

SEPARATE FINANCIAL STATEMENTS

	2014			2013		
	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	801,730	437,102	1,238,832	717,738	343,1	1,060,864
<u>Less</u> Unearned financing income	(186,073)	(66,650)	(252,723)	(159,254)	(53,246)	(212,500)
	615,657	370,452	986,109	558,484	289,880	848,364
<u>Less</u> Allowance for doubtful Accounts	(23,873)	-	(23,873)	(30,513)	-	(30,513)
Hire-purchase and accrued interest receivable - net	591,784	370,452	962,236	527,971	289,880	817,851
Loans receivable						
Loans and accrued interest Receivable	33,309,773	560,550	33,870,323	28,258,743	562,961	28,821,704
<u>Less</u> Allowance for doubtful Accounts	(1,350,269)	-	(1,350,269)	(1,154,756)	-	(1,154,756)
Loans and accrued interest receivable - net	31,959,504	560,550	32,520,054	27,103,987	562,961	27,666,948
Credit card receivable						
Credit card and accrued interest receivable	19,147,246	-	19,147,246	15,038,301	-	15,038,301
<u>Less</u> Allowance for doubtful Accounts	(452,818)	-	(452,818)	(338,071)	-	(338,071)
Credit card and accrued interest receivable - net	18,694,428	-	18,694,428	14,700,230	-	14,700,230
Total accounts receivable	<u>51,245,716</u>	<u>931,002</u>	<u>52,176,718</u>	<u>42,332,201</u>	<u>852,841</u>	<u>43,185,092</u>

8.2 Quality of assets

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Less than 3 months	53,294,947	44,219,200	52,454,807	43,597,177
3 months up	1,633,971	1,174,817	1,548,871	1,111,255
Total	54,928,918	45,394,017	54,003,678	44,708,432
<u>Less</u> Allowance for doubtful accounts	(1,912,108)	(1,620,005)	(1,826,960)	(1,523,340)
Total accounts receivable	53,016,810	43,774,01	52,176,718	43,185,092

8.3 Troubled debt restructuring

For the years ended February 20, 2014 and 2013, the Company had recognized interest income on restructured debts totaling Baht 164.09 million and Baht 126.04 million, respectively.

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	2014		2013	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	39,542	1,198,004	37,515	1,069,549
Non-restructured accounts receivable	3,467,985	53,610,171	3,086,823	44,247,754
Total accounts receivable	3,507,527	54,808,175	3,124,338	45,317,303

	SEPARATE FINANCIAL STATEMENTS			
	2014		2013	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	39,542	1,198,004	37,515	1,069,549
Non-restructured accounts receivable	3,285,212	52,805,674	2,941,038	43,638,883
Total accounts receivable	3,324,754	54,003,678	2,978,553	44,708,432

As at February 20, 2014 and 2013, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

8.4 Allowance for doubtful accounts

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	1,620,005	2,494,025	1,523,340	2,220,021
Bad debts and doubtful accounts	3,842,833	3,129,141	3,765,075	3,090,729
Written-off bad debts	(3,550,730)	(4,003,161)	(3,461,455)	(3,787,410)
Ending balance	<u>1,912,108</u>	<u>1,620,005</u>	<u>1,826,960</u>	<u>1,523,340</u>

8.5 Transfers of financial assets

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

Details of aforementioned sales of receivables are summarized as follows:

		ESPT*	Eternal 4**	Eternal 5***	Eternal 6****
Approved date of the securitization projects by the Office of the Securities and Exchange Commission of Thailand ("the SEC")		February 3, 2006	June 21, 2007	May 19, 2010	May 10, 2013
Initial selling date		February 6, 2006	June 25, 2007	May 20, 2010	May 20, 2013
Type of transferred receivables		Credit Card Receivable	Credit Card Receivable	Credit Card Receivable	Credit Card Receivable
Revolving period		February 2006 - January 2011 (approximately)	June 2007 - May 2012 (approximately)	May 2010 - April 2015 (approximately)	April 2013 - April 2018 (approximately)
Initial sales of receivables					
Net book value of initial receivables	Baht	2,782,514,549	3,038,017,234	4,355,040,449	4,500,002,090
Proceeds from transfer of the right of receivables (see Note 23)	Baht	2,280,000,000	2,205,000,000	2,790,000,000	2,960,000,000
Subordinated lendings (see Note 13)	Baht	370,000,000	744,000,000	1,438,000,000	1,399,351,988
Minimum seller loan - pari passu with debentures (see Note 12)	Baht	132,500,000	88,470,000	126,840,000	130,780,560
Number of contracts		181,389	178,751	205,485	183,047
Average principal amount outstanding	Baht	15,340	16,996	21,194	24,584
Interest rate		18% p.a.	18% p.a.	20% p.a.	20% p.a.

* Eternal 3 Special Purpose Vehicle Company Limited (Subsidiary)

** Eternal 4 Special Purpose Vehicle Company Limited (Subsidiary)

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

**** Eternal 6 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.

Other related information is summarized as follows:

During the life of the securitization projects, the Company may repurchase the Purchased Receivables from such Special Purpose Vehicle in the following circumstances:

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

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

	ESPT* Baht '000	Eternal 4* Baht '000	Eternal 5* Baht '000	Eternal 6* Baht '000
Statements of financial position				
As of February 20, 2014				
Total assets	-	44	4	5,104,57
Total liabilities	-	-	-	5,104,52
Total shareholders' equity	-	44	4	44
As of February 20, 2013				
Total assets	-	18,351	7,010,893	-
Total liabilities	-	18,307	7,010,849	-
Total shareholders' equity	-	44	44	-
Statement of income				
For the year ended February 20, 2014				
Total income	-	14	189,037	911,788
Bad debts and doubtful accounts (Reversal)	-	-	(67,802)	142,682
Other operating expenses (Reversal)	-	(682)	52,399	252,613
Interest expenses	-	-	56,103	223,859
Income tax	-	162	29,667	58,527
Net income	-	534	118,670	234,107

	ESPT* Baht '000	Eternal 4* Baht '000	Eternal 5* Baht '000	Eternal 6* Baht '000
For the year ended February 20, 2013				
Total income	18	346,641	1,135,622	-
Bad debts and doubtful accounts (Reversal)	-	(49,009)	87,199	-
Other operating expenses (Reversal)	42	100,182	334,109	-
Interest expenses	-	73,170	297,991	-
Income tax	-	51,129	98,742	-
Net income (loss)	(24)	171,169	317,581	-

* Eternal 3 Special Purpose Vehicle Company Limited (ESPT), Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4), Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) and Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6) are the Company's subsidiaries (see Notes 2.5 and 11.1).

On May 10, 2011, ESPT redeemed the remaining participation in special purpose vehicle for securitization, subordinated lending and debentures, and the Company repurchased all outstanding receivables from ESPT which led to the end of the securitization project of ESPT on the same date. On February 20, 2012, the Extraordinary Shareholders' Meetings of ESPT had passed the resolutions to approve the dissolution and liquidation and ESPT had already registered the completion of the liquidation process with the Department of Business Development, Ministry of Commerce on the same date on November 9, 2012 .

On October 10, 2012, Eternal 4 redeemed all participation in special purpose vehicle for securitization, subordinated lending and debentures, and the Company repurchased all outstanding receivables from Eternal 4 which led to the end of the securitization project of Eternal 4 on the same date. As at February 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 4 had passed the resolutions to approve the liquidation and dissolution and Eternal 4 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 4 is in the process of liquidation (see Note 11.1).

On May 10, 2013, Eternal 5 redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and long-term debentures, and the Company repurchased all outstanding receivables from Eternal 5 which led to the end of the securitization project of Eternal 5 on the same date. As at August 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 5 had passed the resolutions to approve the dissolution and liquidation and Eternal 5 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 5 is in the process of liquidation (see Note 11.1).

For the years ended February 20, 2014 and 2013, transactions relating to the transfer of financial assets under the securitization projects are summarized as follows:

	2014 Million Baht	2013 Million Baht
Transfers of future credit card receivables (at book value)		
- Credit card receivable (Eternal 4)	-	2,093
- Credit card receivable (Eternal 5)	1,132	7,058
- Credit card receivable (Eternal 6)	6,326	-
	<u>7,458</u>	<u>9,151</u>
Cash collection on behalf of Special Purpose Vehicles		
- Credit card receivable (Eternal 4)	-	2,352
- Credit card receivable (Eternal 5)	1,270	7,895
- Credit card receivable (Eternal 6)	6,837	-
	<u>8,107</u>	<u>10,247</u>
Servicing income on cash collection from Special Purpose Vehicles		
- Credit card receivable (Eternal 4)	-	84
- Credit card receivable (Eternal 5)	45	282
- Credit card receivable (Eternal 6)	211	-
	<u>256</u>	<u>366</u>

As at February 20, 2014 and 2013, the outstanding receivables sold to Special Purpose Vehicles and managed by the Company classified by aging are as follows:

	2014 Million Baht	2013 Million Baht
Credit card receivables (included accrued interest income) - Eternal 5		
Less than 3 months	-	4,705
3 months up	-	63
	<u>-</u>	<u>4,768</u>
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(96)</u>
	<u>-</u>	<u>4,672</u>
Credit card receivables (included accrued interest income) - Eternal 6		
Less than 3 months	4,683	-
3 months up	82	-
	<u>4,765</u>	<u>-</u>
<u>Less</u> Allowance for doubtful accounts	<u>(82)</u>	<u>-</u>
	<u>4,683</u>	<u>-</u>
Total	<u><u>4,683</u></u>	<u><u>4,672</u></u>

9. OTHER RECEIVABLES

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Other receivable - related parties (see Note 34.2.1)	638	9,066	203,561	101,721
Other receivable - other companies	209,056	165,727	190,376	151,904
Prepaid expenses	48,367	58,656	35,805	35,435
Advance payment	38,380	8,683	3,068	8,144
Accrued income	29,612	-	-	-
Total	326,053	242,132	432,810	297,204

10. FIXED DEPOSITS AT BANK UNDER OBLIGATION

As at February 20, 2014 and 2013, the 3 subsidiaries have fixed deposits at banks under obligations as follows:

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2014	2013
	Baht '000	Baht '000
Pledge as collateral for Bank's letters of guarantee issued for debt collection service	620	366
Reserve in accordance with insurance regulations	3,000	3,000
Legal reserve of the foreign subsidiaries	9,796	-
Total	13,416	3,366

11. INVESTMENTS IN SUBSIDIARIES AND LONG-TERM INVESTMENTS IN RELATED COMPANIES AND OTHER COMPANIES

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

11.1 Investments in subsidiaries as at February 20, consist of:

	SEPARATE FINANCIAL STATEMENTS			
	2014		2013	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Investments in subsidiaries (see Note 34.1)				
Eternal 4 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
Eternal 5 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
Eternal 6 Special Purpose Vehicle Company Limited	26.00	10.4	-	-
AEON Microfinance (Cambodia) Private Company Limited	100.00	118,160.0	100.00	29,960.0
AEON Insurance Service (Thailand) Company Limited*	100.00	149,224.3	-	-
ACS Insurance Broker (Thailand) Company Limited*	-	-	100.00	90,844.0
ACS Life Insurance Broker (Thailand) Company Limited*	-	-	100.00	58,380.2
ACS Servicing (Thailand) Company Limited	100.00	175,349.1	100.00	175,349.1
AEON Microfinance (Myanmar) Company Limited	100.00	78,889.1	100.00	1,127.1
AEON Leasing Service (Lao) Company Limited	69.00	20,718.2	100.00	30,026.3
Total investments in subsidiaries		<u>542,371.9</u>		<u>385,707.5</u>

* AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

- (1) On October 10, 2012, Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) redeemed all participation in special purpose vehicle for securitization, subordinated lending and debentures, and the Company repurchased all outstanding receivables from Eternal 4 which led to the end of the securitization project of Eternal 4 on the same date. As at February 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 4 had passed the resolutions to approve the dissolution and liquidation and Eternal 4 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 4 is in the process of liquidation (see Note 8.5).
- (2) On May 10, 2013, Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) has redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and long-term debentures, and the Company repurchased all outstanding receivables from Eternal 5 which led to the end of the securitization project of Eternal 5 on the same date. As at August 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 5 had passed the resolutions to approve the liquidation and dissolution and Eternal 5 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 5 is in the process of liquidation (see Note 8.5).

- (3) On May 20, 2013, the Company paid Baht 10,400 for investment in ordinary shares of Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6), a new subsidiary of the Company, which was registered as a special purpose company under the Civil and Commercial Code of Thailand and the Securitization Law.
- (4) On April 4, 2013, the Company paid Baht 88.20 million for additional investment for capital increase of AEON Microfinance (Cambodia) Private Company Limited.
- (5) On September 1, 2012, the Company entered into the share sale and purchase agreement with ACS Capital Corporation Limited (“ACS Capital”), a major shareholder, for the acquisition of 100% shares in 3 related companies comprising of the ACS Insurance Broker (Thailand) Company Limited (“ACSB”), ACS Life Insurance Broker (Thailand) Company Limited (“ACSL”) and ACS Servicing (Thailand) Company Limited (“ACSS”) from ACS Capital resulting in such companies becoming the subsidiaries of the Company as at the same date. (see Note 3)
- (6) During the year ended February 20, 2013, the Company paid Baht 1.13 million for investment in AEON Microfinance (Myanmar) Company Limited, a new subsidiary of the Company, which was incorporated in Myanmar in order to conduct the retail finance business.

Subsequently, during the year ended February 20, 2014, the Company paid Baht 77.76 million for additional investment for capital increase of AEON Microfinance (Myanmar) Company Limited.

- (7) During the year ended February 20, 2013, the Company paid Baht 30.03 million for investment in AEON Leasing Service (Lao) Company Limited, a new subsidiary of the Company, which was incorporated in Laos in order to conduct the retail finance business.

Subsequently, on September 17, 2013, the Company transferred investment in ordinary shares of AEON Leasing Service (Lao) Company Limited to 2 subsidiaries and third parties in the amount of Baht 4.26 million Baht 4.26 million and Baht 1.59 million, respectively.

11.2 Long-term investments in related companies as at February 20, consist of:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2014		2013	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Long-term investments in related companies				
Aeon (Thailand) Co., Ltd. (340,000 shares of Baht 100 each, Baht 25 called up)	5.23	8,500	8.50	8,500
PT. Aeon Credit Service Indonesia (173 shares of IDR 30 million each, par value of IDR 30 million, fully paid)	5.18	19,072	5.18	19,072
AEON Credit Service Systems (Philippines) Inc. (100,000 shares of PHP 100 each, par value of PHP 100, fully paid)	10.00	7,645	10.00	7,645
ACS Trading Vietnam Co., Ltd. (20% of joint venture's ownership of VND 50,000 million, fully paid)	20.00	16,819	20.00	16,819
		<u>52,036</u>		<u>52,036</u>
<u>Less</u> Allowance for impairment of investment		<u>(8,500)</u>		<u>(8,500)</u>
Total long-term investments in related parties		<u>43,536</u>		<u>43,536</u>

11.3 Long-term investments in other companies as at February 20, consist of:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2014		2013	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Eternal Special Purpose Vehicle Company Limited (ESPV)	-	-	26.00	10.4
Total long-term investment in other company		<u>-</u>		<u>10.4</u>

ESPV were registered as special purpose companies under the Securitization Law on October 3, 2003. Subsequently, ESPV redeemed all debentures and the Company repurchased all outstanding receivables from ESPV which led to the end of the securitization projects of ESPV on May 12, 2008.

On December 20, 2010, the Extraordinary Shareholders' Meetings of ESPV passed the resolutions to approve the liquidation and dissolution. ESPV has already registered the liquidation with the Ministry of Commerce on May 21, 2013.

12. PARTICIPATION IN SPECIAL PURPOSE VEHICLES FOR SECURITIZATION

Participation in Special Purpose Vehicles for securitization as at February 20, is as follows:

	SEPARATE FINANCIAL STATEMENTS	
	2014	2013
	Baht '000	Baht '000
Seller loan in Special Purpose Vehicles for securitization (see Note 34.2.1)		
Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5)	-	2,650,878
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	466,490	-
Total	466,490	2,650,878
<u>Less</u> Current portion of seller loan amounts in Special Purpose Vehicles for securitization	-	(2,650,878)
Seller loan in Special Purpose Vehicle for Securitization	466,490	-

On the contract dates under securitization projects, the Company received partial payments from Eternal 5 and Eternal 6 with seller loan accounts under securitization projects of Baht 127,040,449 and Baht 140,650,102, respectively, which are non-subordinated and ranked in order of priority pari passu with payments of principal in respect of the debentures. The aggregate seller loan accounts will increase from partial payments of such Special Purpose Vehicle Companies for purchase of Future Receivables and Additional Receivables when such Special Purpose Vehicle Companies' net cash flow generated by the Purchased Receivables is insufficient. Seller loan accounts are reduced by the repurchase of ineligible receivables and the receipt of the excess cash from such Special Purpose Vehicle Companies. However, the Company has to retain such Seller loan Minimum Amounts on Eternal 5 and Eternal 6 not less than 3% of the aggregate of the outstanding principal amounts of the debentures and the subordinated loans of Eternal 5 and Eternal 6 of which such amounts will be repaid by cash approximately within 2015 and 2018, respectively, or when these projects end.

On May 10, 2013, Eternal 5 has redeemed the remaining seller loan in special purpose vehicle for securitization (see Notes 8.5 and 11.1).

13. SUBORDINATED LENDINGS

Subordinated lendings with Special Purpose Vehicles as at February 20, are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2014	2013
	Baht '000	Baht '000
Subordinated lendings (see Note 34.2.1)		
Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5)	-	1,438,000
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	1,399,352	-
Total	1,399,352	1,438,000
<u>Less</u> Current portion of subordinated lendings	-	(1,438,000)
Subordinated lendings	1,399,352	-

- (1) On May 20, 2010, the Company entered into the subordinated bridging loan agreement with Eternal 5 amounting to Baht 1,438,000,000 for the purpose of partial payment of the Initial Credit Card Receivables from Eternal 5 under the provision of the Receivable Sale Agreement (see Note 8.5). The interest was received on the monthly basis at the rate of 3% per annum. Subsequently, such bridging loan was refinanced to be subordinated term loan in October 2010 in accordance with such Bridging Loan Agreement. The term loan is due in the year 2015 and the interest is received on the monthly basis at the rate of 12% per annum.

Subsequently, on May 10, 2013, Eternal 5 has redeemed the remaining subordinated lending (see Notes 8.5 and 11.1).

- (2) On May 14, 2013, the Company entered into the subordinated bridging loan agreement with Eternal 6 amounting to Baht 1,399,351,988 for the purpose of partial payment of the Initial Credit Card Receivables from Eternal 6 under the provision of the Receivable Sale Agreement (see Note 8.5). The interest was received on the monthly basis at the rate of 12% per annum. Subsequently, such bridging loan was refinanced to be subordinated term loan in October 2013 in accordance with such Bridging Loan Agreement. The term loan is due in the year 2018 and the interest is received on the monthly basis at the rate of 12% per annum.

14. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at February 20, consists of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Cost	2,460,912	2,109,571	2,242,756	1,958,001
Accumulated depreciation	(1,743,986)	(1,575,362)	(1,624,859)	(1,482,646)
Total leasehold improvement and equipment	<u>716,926</u>	<u>534,209</u>	<u>617,897</u>	<u>475,355</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance	Additions	Disposals	Transfer	Balance
	as at				as at
	February 21, 2013				February 20, 2014
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Leasehold improvement	461,598	114,457	(23,963)	74,950	627,042
Furniture and office equipment	1,624,743	275,874	(71,858)	-	1,828,759
Assets under installation	23,230	56,831	-	(74,950)	5,111
	<u>2,109,571</u>	<u>447,162</u>	<u>(95,821)</u>	<u>-</u>	<u>2,460,912</u>
Accumulated depreciation					
Leasehold improvement	(313,921)	(65,046)	19,892	-	(359,075)
Furniture and office equipment	(1,261,441)	(187,987)	64,517	-	(1,384,911)
	<u>(1,575,362)</u>	<u>(253,033)</u>	<u>84,409</u>	<u>-</u>	<u>(1,743,986)</u>
Total leasehold improvement and equipment	<u>534,209</u>				<u>716,926</u>

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance	Additions	Disposals	Transfer	Balance
	as at				as at
	February 21, 2012				February 20, 2013
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Leasehold improvement	408,613	89,295	(36,310)	-	461,598
Furniture and office equipment	1,543,932	106,716	(25,905)	-	1,624,743
Assets under installation	2,135	21,095	-	-	23,230
	<u>1,954,680</u>	<u>217,106</u>	<u>(62,215)</u>	<u>-</u>	<u>2,109,571</u>
Accumulated depreciation					
Leasehold improvement	(296,345)	(52,983)	35,407	-	(313,921)
Furniture and office equipment	(1,109,929)	(177,165)	25,653	-	(1,261,441)
	<u>(1,406,274)</u>	<u>(230,148)</u>	<u>61,060</u>	<u>-</u>	<u>(1,575,362)</u>
Total leasehold improvement and equipment	<u>548,406</u>				<u>534,209</u>

	SEPARATE FINANCIAL STATEMENTS				
	Balance	Additions	Disposals	Transfer	Balance
	as at				as at
	February 21, 2013				February 20, 2014
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Leasehold improvement	442,362	97,338	(23,963)	71,626	587,363
Furniture and office equipment	1,495,610	226,977	(70,914)	-	1,651,673
Assets under installation	20,029	55,317	-	(71,626)	3,720
	<u>1,958,001</u>	<u>379,632</u>	<u>(94,877)</u>	<u>-</u>	<u>2,242,756</u>
Accumulated depreciation					
Leasehold improvement	(304,010)	(60,838)	19,891	-	(344,957)
Furniture and office equipment	(1,178,636)	(164,855)	63,589	-	(1,279,902)
	<u>(1,482,646)</u>	<u>(225,693)</u>	<u>83,480</u>	<u>-</u>	<u>(1,624,859)</u>
Total leasehold improvement and equipment	<u>475,355</u>				<u>617,897</u>

	SEPARATE FINANCIAL STATEMENTS				
	Balance	Additions	Disposals	Transfer	Balance
	as at				as at
	February 21, 2012				February 20, 2013
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Leasehold improvement	393,320	85,357	(36,315)	-	442,362
Furniture and office equipment	1,427,585	93,672	(25,647)	-	1,495,610
Assets under installation	-	20,029	-	-	20,029
	<u>1,820,905</u>	<u>199,058</u>	<u>(61,962)</u>	<u>-</u>	<u>1,958,001</u>
Accumulated depreciation					
Leasehold improvement	(289,623)	(49,794)	35,407	-	(304,010)
Furniture and office equipment	(1,048,323)	(155,726)	25,413	-	(1,178,636)
	<u>(1,337,946)</u>	<u>(205,520)</u>	<u>60,820</u>	<u>-</u>	<u>(1,482,646)</u>
Total leasehold improvement and equipment	<u>482,959</u>				<u>475,355</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Depreciation for the years ended February 20,	<u>253,033</u>	<u>230,148</u>	<u>225,693</u>	<u>205,520</u>

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

	2014	2013
	Baht '000	Baht '000
Consolidated financial statements	<u>1,222,077</u>	<u>1,115,762</u>
Separate financial statements	<u>1,154,592</u>	<u>1,080,493</u>

Office equipment under finance lease agreements which present in leasehold improvement and equipment account as at February 20, is as follows:

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2014	2013
	Baht '000	Baht '000
Cost	61,58	61,58
Accumulated depreciation	<u>(55,165)</u>	<u>(49,480)</u>
	<u>6,418</u>	<u>12,103</u>

15. INTANGIBLE ASSETS

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Cost	2,897,203	2,874,903	2,701,368	2,698,561
Accumulated amortization	(2,277,045)	(2,167,185)	(2,147,687)	(2,068,895)
Total intangible assets	620,158	707,718	553,681	629,666

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

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance	Additions	Disposals/	Transfer in	Balance
	as at		Write-off	(Transfer out)	as at
	February 21,				February 20,
	2013				2014
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Computer software	2,840,719	149,481	(218,375)	72,158	2,843,983
Computer software under installation	34,184	91,194	-	(72,158)	53,220
	<u>2,874,903</u>	<u>240,675</u>	<u>(218,375)</u>	<u>-</u>	<u>2,897,203</u>

Accumulated amortization

Computer software	(2,167,185)	(291,075)	181,215	-	(2,227,045)
Total intangible assets	707,718				620,158

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance	Additions	Disposals/	Transfer in	Balance
	as at		Write-off	(Transfer out)	as at
	February 21,				February 20,
	2012				2013
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Computer software	2,659,848	124,733	-	56,138	2,840,719
Computer software under installation	59,835	30,487	-	(56,138)	34,184
	<u>2,719,683</u>	<u>155,220</u>	<u>-</u>	<u>-</u>	<u>2,874,903</u>

Accumulated amortization

Computer software	(1,833,530)	(333,655)	-	-	(2,167,185)
Total intangible assets	886,153				707,718

	SEPARATE FINANCIAL STATEMENTS				Balance as at February 20, 2014 Baht '000
	Balance as at February 21, 2013 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (Transfer out) Baht '000	
	Cost				
Computer software	2,665,683	130,767	(218,376)	71,936	2,650,010
Computer software under installation	32,878	90,416	-	(71,936)	51,358
	<u>2,698,561</u>	<u>221,183</u>	<u>(218,376)</u>	<u>-</u>	<u>2,701,368</u>
Accumulated amortization					
Computer software	(2,068,895)	(260,007)	181,215	-	(2,147,687)
Total intangible assets	<u>629,666</u>				<u>553,681</u>

	SEPARATE FINANCIAL STATEMENTS				Balance as at February 20, 2013 Baht '000
	Balance as at February 21, 2012 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (Transfer out) Baht '000	
	Cost				
Computer software	2,495,723	113,822	-	56,138	2,665,683
Computer software under installation	59,835	29,181	-	(56,138)	32,878
	<u>2,555,558</u>	<u>143,003</u>	<u>-</u>	<u>-</u>	<u>2,698,561</u>
Accumulated amortization					
Computer software	(1,768,590)	(300,305)	-	-	(2,068,895)
Total intangible assets	<u>786,968</u>				<u>629,666</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014 Baht '000	2013 Baht '000	2014 Baht '000	2013 Baht '000
	Amortization for the years ended February 20,	<u>291,075</u>	<u>333,655</u>	<u>260,007</u>

Costs of fully amortized computer software still in use as at February 20, are as following:

	2014 Baht '000	2013 Baht '000
Consolidated financial statements	<u>1,539,082</u>	<u>1,224,230</u>
Separate financial statements	<u>1,486,380</u>	<u>1,223,087</u>

As at February 20, 2014 and 2013, copyrights for computer software under financial lease agreements which were included in intangible assets are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2014 Baht '000	2013 Baht '000
Cost	57,547	57,547
Accumulated amortization	(53,947)	(46,885)
	<u>3,600</u>	<u>10,662</u>

16. DEFERRED TAX ASSETS

Deferred tax assets as at February 20, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014 Baht '000	2013 Baht '000	2014 Baht '000	2013 Baht '000
Deferred tax assets				
Allowance for doubtful accounts	381,904	323,957	365,392	304,668
Non-accrual of interest income	57,852	43,762	57,008	43,131
Employee benefit obligation	11,790	8,932	10,710	8,115
Others	15,081	11,202	14,778	11,204
	<u>466,627</u>	<u>387,853</u>	<u>447,888</u>	<u>367,118</u>
Deferred tax liabilities				
Finance lease	1,743	1,353	-	-
Unrealized loss on currency swap contracts	110,209	88,596	110,209	88,596
	<u>111,952</u>	<u>89,949</u>	<u>110,209</u>	<u>88,596</u>
Deferred tax assets	<u>354,675</u>	<u>297,904</u>	<u>337,679</u>	<u>278,522</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance As at February 21, 2013 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Balance As at February 20, 2014 Baht '000
Deferred tax assets				
Allowance for doubtful accounts	323,957	57,947	-	381,904
Non-accrual of interest income	43,762	14,090	-	57,852
Employee benefit obligation	8,932	2,457	401	11,790
Others	11,202	3,879	-	15,081
	<u>387,853</u>	<u>78,373</u>	<u>401</u>	<u>466,627</u>
Deferred tax liabilities				
Finance lease	1,353	390	-	1,743
Unrealized loss on currency swap contracts	88,596	21,613	-	110,209
	<u>89,949</u>	<u>22,003</u>	<u>-</u>	<u>111,952</u>
Deferred tax assets	<u>297,904</u>	<u>56,370</u>	<u>401</u>	<u>354,675</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Balance As at February 21, 2012 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Balance As at February 20, 2013 Baht '000
Deferred tax assets				
Allowance for doubtful accounts	573,626	(249,669)	-	323,957
Non-accrual of interest income	44,542	(780)	-	43,762
Employee benefit obligation	5,861	1,705	1,366	8,932
Others	9,264	1,938	-	11,202
	<u>633,293</u>	<u>(246,806)</u>	<u>1,366</u>	<u>387,853</u>
Deferred tax liabilities				
Finance lease	197	1,156	-	1,353
Unrealized loss on currency swap contracts	81,011	7,585	-	88,596
	<u>81,208</u>	<u>8,741</u>	<u>-</u>	<u>89,949</u>
Deferred tax assets	<u>552,085</u>	<u>(255,547)</u>	<u>1,366</u>	<u>297,904</u>

SEPARATE FINANCIAL STATEMENTS

	Balance As at February 21, 2013 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Balance As at February 20, 2014 Baht '000
Deferred tax assets				
Allowance for doubtful accounts	304,668	60,724	-	365,392
Non-accrual of interest income	43,131	13,877	-	57,008
Employee benefit obligation	8,115	2,174	421	10,710
Others	11,204	3,574	-	14,778
	<u>367,118</u>	<u>80,349</u>	<u>421</u>	<u>447,888</u>
Deferred tax liabilities				
Unrealized loss on currency swap contracts	88,596	21,613	-	110,209
	<u>88,596</u>	<u>21,613</u>	<u>-</u>	<u>110,209</u>
Deferred tax assets	<u>278,522</u>	<u>58,736</u>	<u>421</u>	<u>337,679</u>

	SEPARATE FINANCIAL STATEMENTS			Balance As at February 20, 2013 Baht '000
	Balance As at February 21, 2012 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 doubtful accounts	510,605	(205,937)	-	304,668
Non-accrual of interest income	43,814	(683)	-	43,131
Employee benefit obligation	5,242	1,507	1,366	8,115
Others	9,266	1,938	-	11,204
	<u>568,927</u>	<u>(203,175)</u>	<u>1,366</u>	<u>367,118</u>
Deferred tax liabilities				
Unrealized loss on currency swap contracts	81,011	7,585	-	88,596
	<u>81,011</u>	<u>7,585</u>	<u>-</u>	<u>88,596</u>
Deferred tax assets	<u>487,916</u>	<u>(210,760)</u>	<u>1,366</u>	<u>278,522</u>

17. OTHER NON-CURRENT ASSETS

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Deposits	126,173	111,129	116,386	104,231
Others	33,816	3,563	33,810	3,563
Total	<u>159,989</u>	<u>114,692</u>	<u>150,196</u>	<u>107,794</u>

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

Bank overdrafts and short-term loans from financial institutions as at February 20, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2014		2013	
	Interest rate %	Baht '000	Interest rate %	Baht '000
Overdrafts in THB currency	2.45	160,000	2.90	495,000
Short term loans in THB currency	2.35 - 2.60	1,150,000	2.85 - 3.17	2,840,000
Short term loans in USD currency	1.00 - 1.20	322,245	0.95 - 1.16	66,172
Total		<u>1,632,245</u>		<u>3,401,172</u>

	SEPARATE FINANCIAL STATEMENTS			
	2014		2013	
	Interest rate %	Baht '000	Interest rate %	Baht '000
Overdrafts in THB currency	2.45	160,000	2.90	495,000
Short term loans in THB currency	2.35 - 2.60	1,150,000	2.85 - 3.17	2,840,000
Total		<u>1,310,000</u>		<u>3,335,000</u>

Short-term loans from financial institutions are loans from various financial institutions in the form of promissory notes and are unsecured.

19. SHORT TERM LOAN FROM RELATED COMPANY

As at February 20, 2014, the Company has short-term loan from a subsidiary amounting to Baht 50 million with the interest floating rate of a local bank of Thailand.

20. OTHER PAYABLES

Other payables as at February 20, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Other payable - related parties (see Note 34.2.1)	57,831	4,562	216,759	415,784
Other payable - other companies	266,302	258,338	231,897	247,736
Interest payable	478,147	322,534	475,279	320,070
Accrued expenses	458,980	450,146	448,014	440,848
Total	1,261,260	1,035,580	1,371,949	1,424,438

21. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

As at February 20, 2014 and 2013, liabilities under finance lease agreements are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Minumum		Present value of minimum	
	lease payment		lease payment	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Within 1 year	1,320	16,375	1,305	14,775
Over 1 year to 5 years	-	1,320	-	1,305
	1,320	17,695	1,305	16,080
<u>Less</u> Deferred interest	(15)	(1,615)	-	-
	1,305	16,080	1,305	16,080

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

22. LONG-TERM LOANS

As at February 20, 2014 and 2013, the Company entered into various long-term loan agreements and issued promissory notes in Baht and foreign currencies as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
2014			
	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Loan in YEN currency	4.10 - 5.26	40,720.00	13,096,285
Loan in USD currency	2.59 - 4.60	590.65	19,331,620
Loan in THB currency	3.65 - 5.00	-	9,420,000
<u>Less</u> Loan issuance cost			(133,792)
			41,714,113
<u>Less</u> Current portion of long-term loans			(10,309,600)
Total long-term loans			31,404,513

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
2013			
	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Loan in YEN currency	3.01 - 6.61	28,220.00	9,081,563
Loan in USD currency	2.59 - 4.60	519.65	15,604,206
Loan in THB currency	3.65 - 5.00	-	8,920,000
<u>Less</u> Loan issuance cost			(115,044)
			33,490,725
<u>Less</u> Current portion of long-term loans			(10,234,408)
Total long-term loans			23,256,317

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 20, 2014				
	Principal to be received/ paid Baht '000	Less than 1 year Baht '000	Carrying amount	
			1 - 5 years Baht '000	Total Baht '000
Receivable per currency swap contracts				
Cross Currency Swap Contracts				
YEN currency	945,000	-	19,854	19,854
USD currency	2,272,235	55,173	110,932	166,105
Cross Currency Interest Rate Swap Contracts				
USD currency	15,768,389	505,893	618,997	1,124,890
	<u>18,985,624</u>	<u>561,066</u>	<u>749,783</u>	<u>1,130,849</u>
Payable per currency swap contracts				
Cross Currency Interest Rate Swap Contracts				
YEN currency	13,266,800	(333,201)	(802,168)	(1,135,369)
	<u>13,266,800</u>	<u>(333,201)</u>	<u>(802,168)</u>	<u>(1,135,369)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
As at February 20, 2013

	Principal to be received/ paid Baht '000	Less than 1 year Baht '000	Carrying amount	
			1 - 5 years Baht '000	Total Baht '000
Receivable per currency swap contracts				
Cross Currency Swap Contracts				
USD currency	583,050	-	2,502	2,502
Cross Currency Interest Rate Swap Contracts				
YEN currency	1,076,250	50,096	-	50,096
USD currency	2,688,200	-	14,347	14,347
	<u>4,347,500</u>	<u>50,096</u>	<u>16,849</u>	<u>66,945</u>
Payable per currency swap contracts				
Cross Currency Swap Contracts				
YEN currency	1,284,240	(157,895)	-	(157,895)
USD currency	597,740	-	(27,202)	(27,202)
Cross Currency Interest Rate Swap Contracts				
YEN currency	8,033,630	(353,233)	(851,526)	(1,204,759)
USD currency	12,038,944	(18,408)	(274,966)	(293,374)
	<u>21,954,554</u>	<u>(529,536)</u>	<u>(1,153,694)</u>	<u>(1,683,230)</u>

23. LONG-TERM DEBENTURES

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

Issue date	Maturity Date	No. of units	Currency	Par value per unit	Amount	Interest rate %	Term of interest payment	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
								As at	As at
								February 20,	February 20,
								2014	2013
								Baht '000	Baht '000
30/07/2010	30/07/2015	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.50	Semi-annual	654,588	600,566
14/07/2011	14/07/2016	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.30	Semi-annual	490,941	450,425
16/12/2011	16/12/2016	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.80	Semi-annual	654,588	600,566
30/08/2012	30/08/2017	30	USD	1,000,000	30,000,000	USD-LIBOR 3M	Quarterly	981,882	900,849
13/09/2012	13/09/2017	20	USD	1,000,000	20,000,000	USD-LIBOR 3M + 0.20	Quarterly	654,588	600,566
24/07/2013	29/07/2018	17	USD	1,000,000	17,000,000	USD-LIBOR 6M + 0.01	Semi-annual	556,400	-
29/11/2013	29/11/2018	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.05	Semi-annual	981,882	-
								<u>4,974,869</u>	<u>3,152,972</u>
<u>Less</u> Debenture issuance cost								<u>(65,190)</u>	<u>(66,129)</u>
Long-term debentures								<u>4,909,679</u>	<u>3,086,843</u>

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

On July 30, 2010, the Company partially issued and offered debentures amounting to USD 20 million to a bank in Japan with interest rate of USD - LIBOR 6 month plus 0.50% per annum, payable on a semi-annual basis, and will be due on July 30, 2015. Such debenture is guaranteed by the same bank.

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

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

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

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

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

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

- (3) On December 25, 2012, the Board of Directors' meeting passed the resolution for the Issuance and Offering of debentures of unsubordinated and unsecured debentures in THB currency to offer for sale to general public or institutional investors. The amounts of debentures to be issued are derived from the remaining unissuing balances of debentures from the resolution of the 2005 Annual General Meeting of Shareholders held on June 9, 2005 and the resolution of the 2009 Annual General Meeting of Shareholders held on June 17, 2009, totaling Baht 2,950 million. An issuing amount of the debentures is not to exceed Baht 2,000 million. Interest rate depends on market at time of offer and issuance. Authorized directors shall be empowered to consider conditions and other details for the issue and offering of the debentures. As at February 20, 2013, the Company has not yet issued and offered such debentures.

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

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
As at February 20, 2014			
Principal to be received/ paid	Carrying amount		
	Less than 1 year	1 - 5 years	Total
Baht '000	Baht '000	Baht '000	Baht '000
Receivable per currency swap contracts			
Cross Currency Interest Rate Swap Contracts			
USD currency	4,774,900	-	199,969
	<u>4,774,900</u>	<u>-</u>	<u>199,969</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
As at February 20, 2013			
Principal to be received/ paid	Carrying amount		
	Less than 1 year	1 - 5 years	Total
Baht '000	Baht '000	Baht '000	Baht '000
Payable per currency swap contracts			
Cross Currency Interest Rate Swap Contracts			
USD currency	3,287,050	-	(134,079)
	<u>3,287,050</u>	<u>-</u>	<u>(134,079)</u>

- (4) On May 24, 2010, and May 20, 2013, Eternal 5 Special Purpose Vehicle Company Limited and Eternal 6 Special Purpose Vehicle Company Limited, the Company's subsidiaries, issued the debentures of Baht 2,790 million and Baht 2,960 million, respectively (see Note 8.5), under the Securitization projects. Cash flows from a pool of credit card receivables will be used to make payments for the debentures. Interest on the debentures will be payable monthly commencing on July 10, 2010 and July 9, 2013, respectively.

On May 10, 2013, Eternal 5 Special Purpose Vehicle Co., Ltd. redeemed the remaining balance of debentures in full (see Note 8.5).

The subsidiaries' debentures as at February 20, are as follows:

Debenture Classes	Maturity date	Amount Baht' 000	Interest rate %	2014	2013
				Baht '000	Baht '000
Eternal 5 Special Purpose Vehicle Co., Ltd.					
Class A-1	May 10, 2015	2,790,000	3.10	-	2,790,000
				-	2,790,000
Eternal 6 Special Purpose Vehicle Co., Ltd.					
ClassA-sf	June 8, 2018	2,960,000	3.83	2,960,000	-
				2,960,000	-
				2,960,000	2,790,000

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

24. EMPLOYEE BENEFITS OBLIGATION

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

For the years ended February 20, 2014 and 2013, amounts recognized in the statements of income in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht'000	Baht'000	Baht'000	Baht'000
Current service cost	10,453	7,415	9,182	6,514
Interest cost	1,835	1,107	1,687	1,021
Actuarial loss	2,006	6,831	2,102	6,831
Total	14,294	15,353	12,971	14,366

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht'000	Baht'000	Baht'000	Baht'000
Beginning balance	44,659	29,306	40,578	26,212
Current service cost	10,453	7,415	9,182	6,514
Interest cost	1,835	1,107	1,687	1,021
Actuarial loss	2,006	6,831	2,102	6,831
Ending balance	58,953	44,659	53,549	40,578

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

	CONSOLIDATED FINANCIAL STATEMENTS	
	2014	2013
	% per annum	% per annum
Financial assumptions		
Discount rate	3.65 - 4.36	3.79 - 4.33
Turnover rate		
Monthly staffs	0.0 - 49.0	0.0 - 66.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staffs	0.0 - 55.0	0.0 - 66.0
	Subject to range of age of employees	Subject to range of age of employees
Temporary staffs	0.0 - 64.0	20.0 - 65.0
	Subject to range of age of employees	Subject to range of age of employees
Expected rate of salary increase	5.0 - 8.0	5.0
	SEPARATE FINANCIAL STATEMENTS	
	2014	2013
	% per annum	% per annum
Financial assumptions		
Discount rate	4.32	4.16
Turnover rate		
Monthly staffs	0.0 - 20.0	7.0 - 19.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staffs	0.0 - 48.0	20.0 - 47.0
	Subject to range of age of employees	Subject to range of age of employees
Temporary staffs	0.0 - 64.0	20.0 - 65.0
	Subject to range of age of employees	Subject to range of age of employees
Expected rate of salary increase	5.0	5.0

25. SHAREHOLDERS' EQUITY

- 25.1 On February 20, 2012, the Extraordinary Shareholders' Meetings of Eternal 3 Special Purpose Vehicle Company Limited had passed the resolutions to approve the dissolution and liquidation and such company registered the dissolution with the Ministry of Commerce and repaid the share capital to shareholder attributed non-controlling interests amounting of Baht 0.03 million on November 9, 2012.
- 25.2 On June 14, 2012, the Annual General Meeting of Shareholders of the Company had the resolutions to approve the following matters;
- The appropriation of net income of Baht 200 million as a reserve for business expansion.
 - The declaration of final dividends for the 2011 fiscal year at the rate of Baht 1.05 per share, amounting to Baht 262.50 million. The aforementioned shareholders include 277,805 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 262.21 million on June 28, 2012.

- 25.3 On September 25, 2012, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the 2012 fiscal year at the rate Baht 1.15 per share amounting to Baht 287.50 million. The aforementioned shareholders included 60,800 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 287.43 million on October 22, 2012.
- 25.4 On June 18, 2013, the shareholders had the resolutions to approve the declaration of final dividends for the fiscal year 2012 at the rate of Baht 1.85 per share, totaling Baht 462.50 million. The aforementioned shareholders included 78,100 shares of foreign shareholder who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 462.36 million on June 27, 2013 in addition to the interim dividends which were paid to all shareholders at Baht 1.15 per share, totaling Baht 287.43 million on October 22, 2012.
- 25.5 On September 26, 2013, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the 2013 fiscal year at the rate Baht 1.60 per share amounting to Baht 400 million. The aforementioned shareholders included 33,500 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 399.95 million on October 24, 2013.
- 25.6 Under the Securitization project, the subsidiaries have to pay dividend to their shareholders from all remaining amounts after deducting the required accumulated reserves and payment of all fees and expenses. The subsidiaries appropriate interim dividends on a monthly basis at each Monthly Purchase Date as an appropriation of net profit after income tax of each month.

In addition, the subsidiaries' registered share capital comprises ordinary shares and preferred shares which are held by non-controlling interests. Dividends from the profits of the subsidiaries shall be allocated to the holders of preferred shares at a rate not more than 50% of the par value of each preferred share. The rest of the dividends shall be distributed to the holders of ordinary shares.

- 25.7 Dividends and share capital increase of the subsidiaries for the part of non-controlling interest before the business combination under common control are as follows:
- 25.7.1 On April 30, 2012, the Shareholders' Meetings of ACS Life Insurance Broker (Thailand) Company Limited passed a resolution to approve the declaration of dividend for the year 2011 to ordinary shareholders attributed non-controlling interests at Baht 30.00 per share by 1 million shares, totaling Baht 30.00 million. Such company paid dividend to those shareholders on June 22, 2012.

- 25.7.2 On April 30, 2012, the Shareholders' Meetings of ACS Insurance Broker (Thailand) Company Limited passed a resolution to approve the declaration of dividend for the year 2011 to ordinary shareholders attributed non-controlling interests at Baht 50.00 per share by 1 million shares, totaling Baht 50.00 million. Such company paid dividend to those shareholders on June 22, 2012.
- 25.7.3 On April 30, 2012, the Shareholders' Meetings of ACS Servicing (Thailand) Company Limited passed a resolution to approve the declaration of dividend for the year 2011 to ordinary shareholders attributed non-controlling interests at Baht 19.60 per share by 5 million shares, totaling Baht 98.00 million. Such company paid dividend to those shareholders on June 22, 2012.
- 25.7.4 On June 15, 2012, the Extraordinary Shareholders' Meetings of ACS Life Insurance Broker (Thailand) Company Limited passed a resolution to approve an increase the registered share capital from Baht 10.00 million to Baht 40.00 million, by issuing of 3.00 million ordinary shares with a par value of Baht 10 each, totaling of Baht 30.00 million. The Company has received payment from increased share capital from shareholders attributed non-controlling interests and the Company has registered increase in the authorized share capital with the Ministry of Commerce on June 25, 2012.
- 25.7.5 On June 15, 2012, the Extraordinary Shareholders' Meetings of ACS Insurance Broker (Thailand) Company Limited passed a resolution to approve an increase the registered share capital from Baht 10.00 million to Baht 60.00 million, by issuing of 5.00 million ordinary shares with a par value of Baht 10 each, totaling of Baht 50.00 million. The Company has received payment from increased share capital from shareholders attributed non-controlling interests and the Company has registered increase in the authorized share capital with the Ministry of Commerce on June 25, 2012.
- 25.7.6 On June 15, 2012, the Extraordinary Shareholders' Meetings of ACS Servicing (Thailand) Company Limited passed a resolution to approve an increase the registered share capital from Baht 50.00 million to Baht 148.00 million, by issuing of 9.80 million ordinary shares with a par value of Baht 10 each, totaling of Baht 98.00 million. The Company has received payment from increased share capital from shareholders attributed non-controlling interests and the Company has registered increase in the authorized share capital with the Ministry of Commerce on June 25, 2012.

26. LEGAL RESERVE

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

As at February 20, 2014 and 2013, the Company's legal reserve equals to 10% of the registered share capital.

27. CAPITAL MANAGEMENT

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

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

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

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

28. OTHER COMPONENT OF EQUITY

Other component of equity as at February 20, is as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2014	2013
	Baht '000	Baht '000
Exchange differences on translating financial statements of a foreign operation		
Beginning balance	(312)	176
Increase during the period	10,266	(488)
Ending balance	<u>9,954</u>	<u>(312)</u>

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

29. REVENUE RELATING TO SECURITIZATION TRANSACTION

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

For the years ended February 20, 2014 and 2013, the details of revenues from securitization transaction consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2014	2013
	Baht '000	Baht '000
Credit Card Income		
Interest income from subordinated lending	154,870	219,130
Revenue from seller participation in Special Purpose Vehicle	20,797	52,341
Dividend from investment in Special Purpose Vehicle	352,817	488,700
Servicing income	255,795	365,570
Total	<u>784,279</u>	<u>1,125,741</u>

30. DIRECTORS AND MANagements' REMUNERATION

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

For the years ended February 20, 2014 and 2013, directors and managements' remuneration are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Managements' remuneration	86,172	77,220	64,239	60,635
Directors' remuneration	17,335	11,111	11,778	8,225
Post-employment benefits	4,253	2,403	3,480	1,516
	<u>107,760</u>	<u>90,734</u>	<u>79,497</u>	<u>70,376</u>

For the years ended February 20, 2014 and 2013, directors' remunerations which were included in short-term employee benefits were approved by the ordinary shareholders' meetings of the Company held on June 18, 2013 and June 14, 2012, respectively.

31. 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 20, 2014 and 2013, the Company contributed to the provident fund and recorded as expenses, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014 Baht '000	2013 Baht '000	2014 Baht '000	2013 Baht '000
Contributory provident fund	20,294	9,608	18,197	8,597

32. EXPENSES BY NATURE

Net profit for the years ended February 20, 2014 and 2013 have been arrived after deducting the following significant expenses:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014 Baht '000	2013 Baht '000	2014 Baht '000	2013 Baht '000
Staff costs	1,558,076	1,216,497	1,224,884	976,564
Directors and management's remuneration	107,760	90,734	79,497	70,376
Marketing expenses	1,446,289	930,618	1,375,723	899,241
Equipment expenses	549,780	481,001	535,591	476,284
Depreciation and amortization	544,108	563,803	485,700	505,825
Communication expenses	423,844	342,368	387,210	340,017
Premises' expenses	490,070	401,389	456,404	377,930
Outsource collection expenses	63,603	113,080	356,325	359,116
Special business tax & duty stamp	397,401	344,145	371,484	305,725
Bad debts and doubtful accounts	3,842,833	3,129,141	3,765,075	3,090,729
Finance cost	2,060,914	1,780,543	1,953,638	1,679,047

33. CORPORATE INCOME TAX

According to the Royal Decree No. 555 B.E. 2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 27, 2012, the corporate income tax rate was reduced from 30% to 23% of net profit for an accounting period beginning on or after January 1, 2012 and 20% of net profit for accounting period beginning on or after January 1, 2013 but not later than December 31, 2014.

The Company and its local subsidiaries used tax rates of 20% and 23% for corporate income tax calculation for the years ended February 20, 2014 and 2013, respectively. The foreign subsidiary used 20% - 25% for corporate income tax calculation for the years ended February 20, 2014 and 2013.

The Company and its subsidiaries used tax rates of 20% for calculation of deferred tax for the years ended February 20, 2014 and 2013. The foreign subsidiary used 20% - 25% for calculation of deferred tax for the years ended February 20, 2014 and 2013.

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

For the years ended February 20, 2014 and 2013, income tax consists of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014 Baht '000	2013 Baht '000	2014 Baht '000	2013 Baht '000
Current tax expense for the years	692,078	342,826	568,841	203,435
Deferred income tax expense (revenue)	(56,370)	255,547	(58,736)	210,760
Income tax expense per income statements	<u>635,708</u>	<u>598,373</u>	<u>510,105</u>	<u>414,195</u>

Reconciliations of effective tax rates for the years ended February 20, 2014 and 2013 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2014		2013	
	Amount Baht '000	Rate %	Amount Baht '000	Rate %
Profit before income tax	<u>3,137,173</u>		<u>2,354,798</u>	
Income tax at the domestic tax rate	630,946	20.11	541,603	23.00
<u>Add</u> Tax effect of income and expense not exempted for tax purposes	5,785	0.18	9,458	0.40
Tax effect from tax rate adjustment	-	-	55,250	2.35
<u>Less</u> Tax effect of income and expense exempted for tax purposes	(1,023)	(0.03)	(7,938)	(0.34)
Income tax expense per income statements	<u>635,708</u>	<u>20.26</u>	<u>598,373</u>	<u>25.41</u>

	SEPARATE FINANCIAL STATEMENTS			
	2014		2013	
	Amount Baht '000	Rate %	Amount Baht '000	Rate %
Profit before income tax	<u>2,913,005</u>		<u>2,067,475</u>	
Income tax at the domestic tax rate	582,601	20.00	475,519	23.00
<u>Add</u> Tax effect of income and expense not exempted for tax purposes	8,056	0.28	1,597	0.08
Tax effect from tax rate adjustment	-	-	50,947	2.47
<u>Less</u> Tax effect of income and expense exempted for tax purposes	(80,552)	(2.77)	(113,868)	(5.51)
Income tax expense per income statements	<u>510,105</u>	<u>17.51</u>	<u>414,195</u>	<u>20.04</u>

34. TRANSACTIONS WITH RELATED PARTIES

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

34.1 Investments in subsidiaries (see Note 11.1) as at February 20, 2014 and 2013, are as follows:

Related parties	SEPARATE FINANCIAL STATEMENTS			
	2014		2013	
	Ownership %	Cost Baht '000	Ownership %	Cost Baht '000
Eternal 4 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
Eternal 5 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
Eternal 6 Special Purpose Vehicle Company Limited	26.00	10.4	-	-
AEON Microfinance (Cambodia) Private Company Limited	100.00	118,160.0	100.00	29,960.0
AEON Insurance Service (Thailand) Company Limited*	100.00	149,224.3	-	-
ACS Insurance Broker (Thailand) Company Limited*	-	-	100.00	90,844.0
ACS Life Insurance Broker (Thailand) Company Limited*	-	-	100.00	58,380.2
ACS Servicing (Thailand) Company Limited	100.00	175,349.1	100.00	175,349.1
AEON Microfinance (Myanmar) Company Limited	100.00	78,889.1	100.00	1,127.1
AEON Leasing Service (Lao) Company Limited	69.00	20,718.2	100.00	30,026.3
Total investments in subsidiaries		542,371.9		385,707.5

* AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

34.2 Business transactions with related parties

34.2.1 Balances with related parties as at February 20, 2014 and 2013, are as follows:

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
		Baht '000	Baht '000	Baht '000	Baht '000
Other Current Assets					
Other receivables					
Eternal Special Purpose Vehicle Company Limited	Related company	-	8,332	-	8,332
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	2,456
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	89,454
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	194,876	-
AEON Insurance Service (Thailand) Co., Ltd.*	Subsidiary	-	-	416	-
ACS Life Insurance Broker (Thailand) Co., Ltd.*	Subsidiary	-	-	-	106
ACS Insurance Broker (Thailand) Co., Ltd.*	Subsidiary	-	-	-	315
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	1,561	324
AEON Financial Service Co., Ltd. (Formerly AEON Credit Service Co., Ltd.)	Major shareholder	344	59	344	59
ACS Capital Corporation Limited	Shareholder and three common directors	294	675	294	675
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	-	-	98	-
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	5,972	-
		<u>638</u>	<u>9,066</u>	<u>203,561</u>	<u>101,721</u>

* AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
		Baht '000	Baht '000	Baht '000	Baht '000
Seller loan in Special Purpose Vehicle for Securitization (see Note 12)					
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	2,650,878
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	466,490	-
		<u>-</u>	<u>-</u>	<u>466,490</u>	<u>2,650,878</u>
Subordinated lending (see Note 13)					
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	1,438,000	-	1,438,000
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	1,399,352	-	1,399,352	-
		<u>1,399,352</u>	<u>1,438,000</u>	<u>1,399,352</u>	<u>1,438,000</u>
Short term loan (see Note 19)					
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	50,000	-
Accounts payable					
AEON Insurance Service (Thailand) Co., Ltd.*	Subsidiary	-	-	106,985	-
ACS Insurance Broker (Thailand) Co., Ltd.*	Subsidiary	-	-	-	52,118
ACS Life Insurance Broker (Thailand) Co., Ltd.*	Subsidiary	-	-	-	37,643
Jay Mart Public Company Limited**	One common director	-	11,060	-	11,060
		<u>-</u>	<u>11,060</u>	<u>106,985</u>	<u>100,821</u>
Other payables					
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	44	-
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	44	368,783
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	119,630	-
AEON Insurance Service (Thailand) Co., Ltd.*	Subsidiary	-	-	8,703	-
ACS Insurance Broker (Thailand) Co., Ltd.*	Subsidiary	-	-	-	4,553
ACS Life Insurance Broker (Thailand) Co., Ltd.*	Subsidiary	-	-	-	6,053
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	30,507	31,833
Aeon (Thailand) Co., Ltd.	Holding shares and two common directors	32	17	32	17
AEON Financial Service Co., Ltd. (Formerly AEON Credit Service Co., Ltd.)	Major shareholder	57,799	1,440	57,799	1,440
Jay Mart Public Company Limited**	One common director	-	2,358	-	2,358
AEON Credit Service Systems (Philippines) Inc.	Holding shares and one common director	-	747	-	747
		<u>57,831</u>	<u>4,562</u>	<u>216,759</u>	<u>415,784</u>

* AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

** Jay Mart Public Company Limited has no common director with AEON Thana Sinsap (Thailand) Public Company Limited as at February 20, 2014.

34.2.2 Transactions with related parties for the year ended February 20, 2014 and 2013 are as follows:

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
		Baht '000	Baht '000	Baht '000	Baht '000
Revenue relating to securitization transaction					
(including in credit card income)					
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	534	321,054
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	201,103	830,325
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	582,642	-
		<u>-</u>	<u>-</u>	<u>784,279</u>	<u>1,151,379</u>
Other income					
AEON Insurance Service (Thailand) Company Limited*	Subsidiary	-	-	27,555	-
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	3,045	7,200
ACS Capital Corporation Limited	Shareholder and three common directors	14,594	23,900	14,594	23,900
ACS Life Insurance Broker (Thailand) Co., Ltd.*	Subsidiary	-	-	-	12,812
ACS Insurance Broker (Thailand) Company Limited*	Subsidiary	-	-	-	11,611
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	-	-	393	-
ACS Trading Vietnam Co., Ltd.	Holding shares and one common director	-	420	-	420
		<u>14,594</u>	<u>24,320</u>	<u>45,587</u>	<u>55,943</u>
Operating and administrative expenses					
Collection service fee					
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	312,550	319,884
Others					
Aeon Financial Service Co., Ltd. (Formerly AEON Credit Service Co., Ltd.)	Major shareholder	57,741	68,693	57,741	68,693
AEON Insurance Service (Thailand) Company Limited*	Subsidiary	-	-	4,746	-
Aeon (Thailand) Company Limited	Holding shares and two common director	14,020	9,213	14,020	9,213
ACS Capital Corporation Limited	Shareholder and three common directors	26,389	22,839	26,389	22,839
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	-	36
AEON Credit Service Systems (Philippines) Inc.	Holding shares and one common director	10,592	9,437	10,592	9,437
		<u>108,742</u>	<u>110,182</u>	<u>426,038</u>	<u>430,102</u>
Dividend paid					
Aeon Financial Service Co., Ltd. (Formerly AEON Credit Service Co., Ltd.)	Major shareholder	302,910	193,160	302,910	193,160
ACS Capital Corporation Limited	Shareholder and three common directors	165,600	105,600	165,600	105,600
		<u>468,510</u>	<u>298,760</u>	<u>468,510</u>	<u>298,760</u>
Purchase of computer software					
AEON Credit Service Systems (Philippines) Inc.	Holding shares and one common director	-	29,181	-	29,181

* AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

- For the years ended February 20, 2014 and 2013, other income includes the management and operating fees charged to ACS Capital Corporation Limited, AEON Insurance Service (Thailand) Co., Ltd.* and ACS Servicing (Thailand) Co., Ltd., at the rates of Baht 950,000 per month, Baht 600,000 per month and Baht 400,000 per month, respectively and for the marketing research fee charged to ACS Capital Corporation Limited at the rates of Baht 50,000 per month. Such agreements were terminated on March 31, 2013. Moreover, other income for the years ended February 20, 2014 and 2013 also includes the computer fee charged to ACS Capital Corporation Limited, AEON Insurance Service (Thailand) Co., Ltd.*, and ACS Servicing (Thailand) Co., Ltd., at the rates of Baht 1,000,000 per month, Baht 200,000 per month and Baht 200,000 per month, respectively, and charged to ACS Capital Corporation Limited for marketing support fee at the rate of Baht 200,000 per month.
- Revenues relating to securitization transactions are determined by the Company and the subsidiaries in accordance with securitization projects (see Note 8.5).
- 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 Corporation Limited (Formerly AEON Credit Service Company Limited) as stated in the agreement.
- Pricing policy for other operating and administrative expenses is determined by the Company and related parties based on the cost plus basis.
- Computer programs purchasing price is paid to AEON Credit Service Systems (Philippines) based on specified in the agreement.

* AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

35. LONG-TERM OPERATING LEASE AND SERVICE AGREEMENTS

As at February 20, 2014 and 2013, the Company has long-term operating lease and service agreements with the third parties as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Rental amount			
	2014		2013	
	Within 1 year	Over 1 to 5 years	Within 1 year	Over 1 to 5 years
	Baht '000	Baht '000	Baht '000	Baht '000
Building	193,483	190,562	132,031	125,842
Office equipment	109,924	284,017	38,990	62,510
Vehicle	26,181	21,396	18,258	16,736

SEPARATE FINANCIAL STATEMENTS

	Rental amount			
	2014		2013	
	Within 1 year	Over 1 to 5 years	Within 1 year	Over 1 to 5 years
	Baht '000	Baht '000	Baht '000	Baht '000
Building	157,790	153,243	117,518	98,727
Office equipment	108,601	283,187	38,388	62,213
Vehicle	225,678	20,943	16,923	16,736

36. SEGMENT INFORMATION

Since February 21, 2013, the Company and subsidiaries have adopted TFRS 8 “Operating Segments”. Such TFRS requires a change in the presentation and disclosure of segment information based on the internal reports provided to the Company and its subsidiaries’ Chief Operating Decision Maker to make decisions about assessing the performance of each segment and allocating resources to those segments. The Company and subsidiaries previously presented segment information in financial statements in respect of its business segments in accordance with TAS 14 “Segment Reporting”. As a result, following the adoption of such TFRS, the reportable segment has retrospectively adjusted segment information for the financial statements for the year ended February 20, 2013.

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

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

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

The segment information of the Company and its subsidiaries were presented by domestic and foreign business segments as follows:

36.1 Statement of income for the years ended February 20, 2014 and 2013 classified by business, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
2014					
	Retail finance services		Other domestic	Elimination	Total
	Domestic	Foreign	Business		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	14,781,249	79,117	374,433	-	15,234,799
Inter - segment revenues	785,019	-	387,829	(1,172,848)	-
	<u>15,566,268</u>	<u>79,117</u>	<u>762,262</u>	<u>(1,172,848)</u>	<u>15,234,799</u>
Expenses					
Operating and administrative expenses	6,058,544	64,789	561,750	(598,964)	6,086,119
Directors and managements' remuneration	79,497	9,356	18,907	-	107,760
Bad debts and doubtful accounts	3,839,955	2,878	-	-	3,842,833
Finance cost	2,233,600	2,159	362	(175,207)	2,060,914
Total expenses	<u>12,211,596</u>	<u>79,182</u>	<u>581,019</u>	<u>(774,171)</u>	<u>12,097,626</u>
Net income (loss) before income tax expense	3,354,672	(65)	181,243	(398,677)	3,137,173
Income tax expense	598,461	814	36,433	-	635,708
Net income (loss) for the year	<u>2,756,211</u>	<u>(879)</u>	<u>144,810</u>	<u>(398,677)</u>	<u>2,501,465</u>

CONSOLIDATED FINANCIAL STATEMENTS					
2013					
	Retail finance services		Other domestic	Elimination	Total
	Domestic	Foreign	Business		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	11,911,629	12,006	308,710	-	12,232,345
Inter - segment revenues	1,125,736	-	326,711	(1,452,447)	-
	<u>13,037,365</u>	<u>12,006</u>	<u>635,421</u>	<u>(1,452,447)</u>	<u>12,232,345</u>
Expenses					
Operating and administrative expenses	5,081,790	17,597	470,023	(692,281)	4,877,129
Directors and managements' remuneration	70,376	5,213	15,145	-	90,734
Bad debts and doubtful accounts	3,128,919	222	-	-	3,129,141
Finance cost	2,050,208	190	1,615	(271,470)	1,780,543
Total expenses	<u>10,331,293</u>	<u>23,222</u>	<u>486,783</u>	<u>(963,751)</u>	<u>9,877,547</u>
Net income (loss) before income tax expense	2,706,072	(11,216)	148,638	(488,696)	2,354,798
Income tax expense	564,066	123	34,184	-	598,373
Net income (loss) for the year	<u>2,142,006</u>	<u>(11,339)</u>	<u>114,454</u>	<u>(488,696)</u>	<u>1,756,425</u>

36.2 Financial position as at February 20, 2014 and 2013 classified by business, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				
	2014				
	Retail finance services		Other domestic	Elimination	Total
	Domestic	Foreign	Business		
Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
Accounts receivable and other receivable	57,411,966	446,260	307,881	(4,823,244)	53,342,863
Leasehold improvement and equipment and intangible assets	1,171,578	45,824	119,682	-	1,337,084
Other assets	6,592,366	75,619	356,041	(1,067,390)	5,956,636
Total assets	<u>65,175,910</u>	<u>567,703</u>	<u>783,604</u>	<u>(5,890,634)</u>	<u>60,636,583</u>
Total liabilities	<u>56,407,685</u>	<u>348,168</u>	<u>313,016</u>	<u>(5,339,735)</u>	<u>51,729,134</u>

	CONSOLIDATED FINANCIAL STATEMENTS				
	2013				
	Retail finance services		Other domestic	Elimination	Total
	Domestic	Foreign	Business		
Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
Accounts receivable and other receivable	48,564,190	38,590	249,449	(4,836,085)	44,016,144
Leasehold improvement and equipment and intangible assets	1,105,022	6,980	129,925	-	1,241,927
Other assets	8,476,009	68,530	233,481	(3,022,837)	5,755,183
Total assets	<u>58,145,221</u>	<u>114,100</u>	<u>612,855</u>	<u>(7,858,922)</u>	<u>51,013,254</u>
Total liabilities	<u>50,915,956</u>	<u>70,722</u>	<u>241,753</u>	<u>(7,473,214)</u>	<u>43,755,217</u>

37. DISCLOSURE OF INFORMATION RELATING TO FINANCIAL INSTRUMENTS

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

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

37.1 Accounting policies

Details of significant accounting policies are disclosed in Note 5.

37.2 Credit risk

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

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

37.3 Interest rate risk

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

The Company did not anticipate any interest rate fluctuation risk which may have a material effect on the result of operations as all of the loans carrying floating interest rates have been hedged. Details of interest rate swap agreements and cross currency interest rate swap agreements are disclosed in Notes 22 and 23.

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

37.4 Foreign exchange risk

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

In addition, in order to manage risk from fluctuation in currency and interest rate, the Company has entered into various cross currency interest rate swap contracts to hedge its long-term debts as disclosed in Notes 22 and 23.

37.5 Estimated fair value of financial instruments

Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentation” requires certain fair value disclosures. Management’s considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amount that could be realized in a current market exchange.

The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair value of financial instruments.

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

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

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

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at February 20, 2014		As at February 20, 2013	
	Carrying value	Fair value	Carrying value	Fair value
	Baht '000	Baht '000	Baht '000	Baht '000
Long-term loans bearing fixed interest rate	12,453,194	12,367,400	9,132,435	9,102,165
Long-term loans bearing floating interest rate	29,394,711	28,473,852	23,773,334	23,389,756
Long-term debentures bearing floating interest rate	4,974,869	4,655,048	3,152,972	3,050,509

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 20, 2014				
	Carrying amount			Fair value
	Less than 1 year Baht '000	1 - 5 years Baht '000	Total Baht '000	Gain (Loss) Baht '000
Receivable per currency swap contracts				
Cross Currency Swap Contracts	55,173	130,786	185,959	100,165
Cross Currency Interest Rate Swap Contracts	505,893	818,966	1,324,859	714,962
	<u>561,066</u>	<u>949,752</u>	<u>1,510,818</u>	<u>815,127</u>
Payable per currency swap contracts				
Cross Currency Interest Rate Swap Contracts	(333,201)	(802,168)	(1,135,369)	(1,762,408)
	<u>(333,201)</u>	<u>(802,168)</u>	<u>(1,135,369)</u>	<u>(1,762,408)</u>
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 20, 2013				
	Carrying amount			Fair value
	Less than 1 year Baht '000	1 - 5 years Baht '000	Total Baht '000	Gain (Loss) Baht '000
Receivable per currency swap contracts				
Cross Currency Swap Contracts	-	2,502	2,502	(8,492)
Cross Currency Interest Rate Swap Contracts	50,096	14,347	64,443	10,842
	<u>50,096</u>	<u>16,849</u>	<u>66,945</u>	<u>2,350</u>
Payable per currency swap contracts				
Cross Currency Swap Contracts	(157,895)	(27,202)	(185,097)	(204,373)
Cross Currency Interest Rate Swap Contracts	(371,641)	(1,260,571)	(1,632,212)	(2,057,369)
	<u>(529,536)</u>	<u>(1,287,773)</u>	<u>(1,817,309)</u>	<u>(2,261,742)</u>

38. CREDIT FACILITIES AND LETTER OF GUARANTEE

- 38.1 As at February 20, 2014 and 2013, the Company has the committed and unsecured revolving credit facility agreements with a financial institution for general corporate funding requirements totaling Baht 400 million. Such credit facility is still unused.
- 38.2 As at February 20, 2014 and 2013, the Company has unused overdraft facilities with various banks totaling same amount of Baht 935.10 million and Baht 100.10 million, respectively. Such overdraft facilities are unsecured.
- 38.3 As at February 20, 2014 and 2013, the Company has bank's letter of guarantees issued to suppliers for guarantee payment of Baht 0.3 million and Baht 2.50 million, respectively. Such letter of guarantees is unsecured.
- 38.4 As at February 20, 2014 and 2013, the subsidiaries have letters of guarantee issued by banks in the amounts of Baht 3.62 million and Baht 3.37 million, respectively.

39. SIGNIFICANT AGREEMENTS RELATING TO SECURITIZATION TRANSACTIONS

39.1 The Company entered into the Receivables Sale and Purchase Agreements with Eternal 3 Special Purpose Vehicle Company Limited (ESPT), Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4), Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) and Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6) (“the subsidiaries”), on February 6, 2006, June 25, 2007, May 20, 2010 and May 14, 2013, respectively. Such agreements set out the procedures and terms in respect of the sale and purchase of the Initial Receivables on the Closing Date, for Future Receivables on each Purchase Date and for Additional Receivables on each Monthly Purchase Date including the rights, obligations and responsibilities of both parties. The Receivables Sale and Purchase Agreements also set out the terms and conditions in respect of the resale and repurchase of the Ineligible Receivables and Defaulted Receivables.

As at February 20, 2014, the agreements with ESPT, Eternal 4 and Eternal 5 were terminated due to the end of securitization projects.

39.2 The Company entered into the Servicing Agreements with the ESPT, Eternal 4 and Eternal 5 and Eternal 6 (“the subsidiaries”) on February 6, 2006, June 25, 2007, May 20, 2010 and May 14, 2013, respectively. Based on such agreements, the subsidiaries appointed the Company (as a transferor and servicer) to provide certain administration services (including record keeping and producing written reports relating to the Collections), to act as the collection agent and other services for credit card receivables in relation to the Purchased Receivables. In addition, the Servicing Agreement also set out other relevant terms, such as the scope of the services, the payment of service fees, the termination of the appointment of the Servicer and the Back-up Servicer appointment of the substitute servicer.

As at February 20, 2014, the agreements with ESPT, Eternal 4 and Eternal 5 were terminated due to the end of securitization projects.

40. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issuing by the Company’s authorized director and the Audit Committee on April 17, 2014.

Management's Discussion and Analysis for the fiscal year ended February 20, 2014

AEON Thana Sinsap (Thailand) Public Company Limited ("the Company") has already submitted the audited financial statements for the year ended February 20, 2014 which were audited by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The Company has net profit attributed to owners of the parent of 2,501 million baht or 10.01 baht per share, increasing by 48% y-y, which was a record year for the Company with profitability although the economy is slowing down in the second half of the year. The operating performance is summarized as follows;

Overview

Overall, Thai economy in 2013 expanded by 2.9% y-y, much lower than its 6.5 percent expansion in 2012., according to the Bank of Thailand, from the slow global economic recovery which affects the private domestic demand and Thai exports, following the decline spending on durable goods after the end of the first-car tax rebate scheme, together with higher household debt levels and declining consumer confidence due to Thai economic and political uncertainty which made consumers more cautious about spending. While private investment index showed a slow down due to slow progress in the government's mega project investments. In addition, the economic situation in 2014 is expected to grow from last year according to several supporting factors such as global economic recovery, the positive employment situation together with low interest rates from the accommodative monetary policy will help support private consumption and investment to continue to expand.

As of February 20, 2014, number of total cards reached 7.03 million cards. Covering networks nationwide, the Company has 116 branches, 423 ATMs, and over 16,200 member dealers to provide quality financial services to AEON cardholders. In addition, the Company has continued launching promotions with various partners as well as renovating its current branches to improve brand image to serve for growth of credit card customers with higher income. In addition, new operation center, Sriracha Center in Chonburi province, has started to operate in order to support customer growth in upcountry as well as higher sales volume.

Operating Results

- **Revenues**

In the fiscal year 2013, the Company's consolidated revenues amounted to 15,235 million baht, increasing by 3,002 million baht or 25% from 12,232 million baht in the fiscal year 2012. This was resulted from the Company has continued with marketing campaigns throughout the year. At the end of fiscal year 2013, the Company has number of active billing of 3.48 million accounts, increasing by 13% y-y with number of active customers of 2.24 million, increasing by 8% y-y, mainly from Bangkok 37%, and in up-country 63%. Details of each business can be described as follows:

- Credit Card

Credit card turnover in the fiscal year 2013 improved by 27% from last year and represented 43% of total turnovers. Revenues from credit card were 5,497 million baht, increasing by 19% y-y. This was due to the fact that the Company has focused more on credit card promotion with value partners and departments store to increase more spending volume and have continued with marketing campaigns throughout the year.

In the first quarter of 2013, the Company issued new co-brand card with Wuttisak Clinic Inter Group Company Limited, "AEON Wuttisak Visa Card" to reach new group of customers from beauty segment; and to shift up AEON brand image, the Company opened AEON Lounge at Central World department store to facilitate gold card and platinum card members.

In the second quarter of 2013, the Company launched the privilege campaign for Gold and Classic card with 2 major partners, Major Cineplex Group Plc, the country's largest entertainment network and McThai Co. Ltd., the largest fast food restaurant network under theme "Everyday Happiness with AEON Credit Card"; and we have announced the launch of "AEON Easy Pay", a new payment service that AEON Dealers can use smartphones connect with electronic payments.

In the third quarter of 2013, the Company has joined with H.I.S. Tours Company Limited to launch AEON H.I.S. Corporate card, a premium card targeting corporate executives and employees, to ensure extra convenience when travelling; and giving customers with more convenience, we launched a new service, "Easy Pass top up" for customers to refill the tolls via AEON visa credit card.

Focusing on card recruitment activities, the Company has developed more card recruitment channels including setting booths in high traffic areas and encouraging card application on the Company's website and dealer network nationwide. As a result, a new credit card customers as of February 20, 2014 increased by 200,000 cards or 30% y-y.

- Loans

For the fiscal year 2013, loans shared 49% of total turnovers (shared 24% from personal loan and 25% from purposed loan for mobile phone, IT products, electrical appliances and etc. at over department stores and more than 16,200 dealers nationwide) with the revenues of 8,157 million baht, increasing by 33% y-y. The increase was mainly from growth of revolving loan "Your Cash" and the Company has release the direct marketing campaign to the customer, which we have expanding more service channels providing more convenience to customers and this also saved the Company's operation cost. AEON members can utilize the revolving loans service through many service channels; besides AEONTS ATMs, other major bank ATMs i.e. Kasikorn, Thanachart, Bangkok Bank, Krungsri and Counter Service through 7-11 nationwide, they can also transfer and receive cash through Thailand Post Office nationwide. Totaling, we have more than 30,000 cashing channels.

- Hire Purchase

In fiscal year 2013, motorcycle hire purchase (consolidated hire purchase of oversea in Cambodia and Lao), sharing 1% of total turnovers with revenues of 307 million baht, increasing by 30% from total hire purchase revenues last year. This was mainly from the operating performance in Cambodia, with growth of more than 5 times from last year. However, the company has continued launching promotions with motorcycle manufacturers and suppliers, i.e., Honda and Kawasaki as well as increased distribution channels for motorcycle sales through our branches.

- Others

In fiscal year 2013, other incomes were 1,273 million baht, representing 8% of total revenues, mainly comprised bad debt recovery and income from subsidiaries such as commission income, collection service income and etc. The majority of other incomes came from bad debt recovery of 678 million baht which accounted for 4% of total revenues. Regarding, the income for the fiscal year 2013 of company's subsidiaries in Thailand, the Company had commission income of 217 million baht, increasing by 21% y-y from AEON Insurance Service (Thailand) Co., Ltd. and collection service income of 155 million baht, increasing by 22% from ACS Servicing (Thailand) Co., Ltd. and others, which the Company has planed to generate more fee base income in the future.

• **Expenses**

The Company's expenses mainly consist of operating and administrative expenses, bad debt and doubtful accounts, and finance cost. In fiscal year 2013, the Company had total consolidated expenses of 12,098 million baht, increasing by 22% from the previous fiscal year. Details of total expenses can be described as follows:

- Operating and Administrative Expenses

In fiscal year 2013, the Company's operating and administrative expenses were 6,194 million baht, increasing by 25% y-y as a result of increase in marketing expenses to stimulate sales performance as well as improve competitive edge. In terms of proportion to total revenues, operating and administrative expenses represented 41% of total revenues. This was as a result of increase in marketing expenses and number of staffs to support business growth as well as improve competitive edge.

- Bad debt and doubtful accounts

The Company posted bad debt and doubtful accounts of 3,843 million baht in fiscal year 2013, increasing by 23% from last fiscal year. The increase was due to rapidly growth of new customers. The Company,

therefore, provided more bad debt provision reserve under the conservative risk management policy to prevent uncertainty of economic fluctuation in the future i.e. flooding, political uncertainty and increased household debts.

- Finance Cost

For the fiscal year 2013, the Company's finance cost recorded at 2,061 million baht, 16% increase from the last year. This was because of an increase in total borrowings to support business growth. However, finance cost in the fiscal year 2013 accounted for 14%, the same level as last year. This was because the Company's policy is to manage liquidity risk and interest rates fluctuation risk by mainly locking in long-term borrowing, which is 75% of total borrowings in the fiscal year 2013. In addition, average interest rate cost was 4.39% in the fiscal year 2013, 4 basis points (bps) more than that in the fiscal year 2012.

- **Net Income**

For the fiscal year 2013, the Company's had consolidated operating income of 3,137 million baht, increasing from 2,355 million baht in last year, and reported net profit attributed to owners of the parent of 2,501 million baht, or 10.01 baht per share, increasing by 48% y-y, a new record of profitability since established.

Financial Status

- **Total Assets**

As of February 20, 2014, consolidated total assets were 60,637 million baht, an increase of 9,623 million baht or 19% from 51,013 million baht as of February 20, 2013. Mainly, the assets were attributed to the portfolio of net accounts receivable, which was 87% of total assets.

- Accounts Receivable

At the end of fiscal year 2013, the Company's consolidated gross accounts receivable (both current assets and non-current assets) amounted to 54,929 million baht, increasing by 21% y-y from 45,394 million baht in fiscal year 2012, mainly from Bangkok 42%, and up-country 58%. This can be categorized by business type as follows: credit card receivable 19,553 million baht, increasing by 26%, loans receivable 33,904 million baht, increasing by 18% and hire purchase receivable 1,351 million baht, increasing by 47% and other receivables 121 million baht, increasing by 57%. However, including credit card receivable under securitization of 4,359 million baht which was off balance sheet, total accounts receivable were 59,288 million baht, increasing by 19% from the end of fiscal year 2012.

In 2013, the Company has change of terms and conditions adhere strictly for applying new customer and credit approval, including the increase of collection staff to handle the new customers and control the quality of assets has been improved respectively as well as improved the collection system. As of February 20, 2014, the Company provided allowance for doubtful accounts of 1,912 million baht or 3.48% of total accounts receivable, increasing from 1,620 million baht or 3.57% of total accounts receivable at the end of previous fiscal year. As a result, net accounts receivable was 53,017 million baht.

- **Total Liabilities**

As of February 20, 2014, total liabilities amounted to 51,729 million baht, increasing by 18% from the end of fiscal year 2012. This was due to 21% increase in the total borrowings. At the end of fiscal year 2013, there were both short-term and long-term borrowings totally 48,256 million baht. The portion of long-term borrowings was 36,314 million baht or represented 75% of total borrowings.

In July 2013, the Company issued and offered debenture amounting to USD 17 million to a bank in Japan and will be due on July 2018. In November 2013, the Company issued and offered debenture amounting to USD 30 million to a bank in Japan and will be due on November 2018.

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

- **Shareholders' Equity**

As of February 20, 2014, shareholders' equity was 8,907 million baht, representing the increase of 1,649 million baht or 23% from February 20, 2013. Consequently, Book value as of February 20, 2014 was 35.6 baht per share, increasing from that of 29.03 baht per share at the end of last fiscal year.

Debt to Equity ratio in the fiscal year 2013 slightly decreased to 5.8 times from 6.0 times in the fiscal year 2012. Return on Equity and Return on Asset equaled to 30.9% and 4.5%, respectively, comparing to 25.2% and 3.6% in the previous fiscal year.

(Translation)

No.11/2014

April 18, 2014

President
The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 3/2014

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby report the resolutions passed at the meeting of the Board of Directors No. 3/2014, held on April 18, 2014 from 3:30 p.m. as follows:

1. Unanimously acknowledged of the report by the Board of Directors with respect to the Company's performance and approved the audited financial statements of the Company for the fiscal year ended February 20, 2014.
2. Approved the related transactions with the related companies (Details as attachment)

Please be informed accordingly

Yours sincerely,

Yasuhiko Kondo
Managing Director

Disclosure of Connected transactions

The Board of Director's meeting of AEON Thana Sinsap (Thailand) Plc. No. 3/2014 held on April 18, 2014 had a resolution of the connected transaction as follows:

Date of agreement

From February 21, 2014 to February 20, 2015

Contractual parties with AEON Thana Sinsap (Thailand) Public Company Limited. (AEONTS) and its subsidiaries

Service Provider

Company	Business	Relationship with AEONTS
AEON Credit Service Systems (Philippines) Inc. ("AEON Systems")	System Development	- A subsidiary of AEON Financial Service Co., Ltd. ("AFS") holding 699,995 shares or 70%; and AFS is also a major shareholder of AEONTS, holding 87,800,000 shares or 35.12%. - AEONTS holds 100,000 shares or 10% of AEON Philippines.

Clients

AEON Thana Sinsap (Thailand) Public Company Limited. and its subsidiaries as follows:

Company	Business	% of Shares held by AEONTS
1) AEON Microfinance (Cambodia) Private Company Limited	Retail Finance	100%
2) AEON Leasing Service (Lao) Company Limited	Retail Finance	95%
3) AEON Microfinance (Myanmar) Company Limited	Retail Finance	100%

Rationales and Appropriateness

IT systems and solutions developed and maintained by AEON Systems can be utilized among affiliated companies and future development can be directed in the same direction of the AFS Group.

General characteristics of transactions

AEONTS and its subsidiaries engage outsource service agreement to develop and maintenance the systems which need for each company operation from AEON Systems.

- System Development Cost

(Baht)

Company	System Name	Development Cost
AEON Microfinance (Cambodia) Private Company Limited	Mobile Application, Seasonal Payment, new HP System	4,180,000

- Manpower Cost

(Baht)

Company	Yearly Cost
AEON Thana Sinsap (Thailand) Public Company Limited	17,600,000
AEON Microfinance (Cambodia) Private Company Limited	6,600,000
AEON Leasing Service (Lao) Company Limited	1,000,000
AEON Microfinance (Myanmar) Company Limited	1,000,000
Total	26,200,000

Value of consideration

(Baht)

Related company name	FY2014 (Feb21,2014–Feb20, 2015)
System Development Cost	4,180,000
Man Power Cost	26,200,000
Total	30,380,000

Manpower cost is estimated from number of required manpower and monthly fee rate for each staff which varies according to AEON Systems' personnel assigned to above tasks. The monthly fee rate has been used since 2012 and is in line with the market price.

Name, position and shareholding proportion of the connected persons

Related company name	Name of connected persons	Share (s) in related company	% of share in AEONTS
AEON Credit Service Systems (Philippines) Inc. (Paid-up capital 100 Million Peso, 1,000,000 shares)	Mr. Jun Suzuki	1 share	-

The measurement of total transactions

By measurement in percentage of the Company Net Tangible Assets (NTA), total transaction is 30.38 million baht or 0.37% which more than 0.03% but less than 3% 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 Director as well as disclose to the Stock Exchange of Thailand.

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

- Board of Directors' meeting No. 08/2013 held on 24th December, 2013, and AEONTS approved the transaction with AEON CREDIT SERVICE SYSTEMS (PHILIPPINES) INC. (hereinafter "AEON Systems"), which is AEONTS purchased the system from AEON Systems, and paid fee to AEON Systems for the amount of not more than 99.5 million baht or 1.3% of NTA of the Company.
- Board of Directors' meeting No. 02/2014 held on 27th March, 2014, and AEONTS approved the transaction with AEON Financial Service Co., Ltd (hereinafter "AFS"), which engages "Share of Corporate Expense Agreement" with AFS for the amount of not more than 60.0 million baht and AEONTS received the management fee income from ACS Capital Corporation Limited concerning the support of back office operation (Accounting, Administration, Personnel, Promotion, Legal, and system support) for the amount of totally not more than 26.4 million baht, total transaction is 86.4 million baht or 1.13% of NTA of the Company.

So the total connected transaction approved by the Board of Directors' meeting in the last six months period including this time was 216.3 million baht or 2.8% which more than 0.03% of the Company NTA but less than 3% of NTA of the Company.

Opinion of the Audit Committee

The Audit Committee has considered the purpose of transactions is supporting normal business transaction of the Company with fair and reasonable transactions.

Opinion of the Board of Director

The Board of Directors has considered the agreement and has opinion that the transaction is necessary and reasonable.