

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

TO THE BOARD OF DIRECTORS

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED

We have reviewed the consolidated statement of financial position of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate statement of financial position of AEON Thana Sinsap (Thailand) Public Company Limited as at August 20, 2014 and the related consolidated and separate statements of income, comprehensive income for the three-month and six-month periods then ended, and the consolidated and separate statements of changes in shareholders' equity and cash flows for the six-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand)
Registration No. 3356

BANGKOK
September 29, 2014

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

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

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		August 20,	February 20,	August 20,	February 20,
		2014	2014	2014	2014
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5.1	2,369,936	2,434,732	1,858,101	1,801,656
Accounts receivable and other receivables					
Accounts receivable	6	54,764,712	51,910,846	54,128,105	51,245,716
Other receivables		643,382	326,053	779,166	432,810
Receivables per currency swap contracts	13	371,955	561,066	371,955	561,066
Other current assets		48,094	40,118	38,324	38,047
Total Current Assets		<u>58,198,079</u>	<u>55,272,815</u>	<u>57,175,651</u>	<u>54,079,295</u>
NON-CURRENT ASSETS					
Accounts receivable	6	1,217,852	1,105,964	937,887	931,002
Fixed deposits at banks under obligations		13,577	13,416	-	-
Investments in subsidiaries	7.1	-	-	578,756	542,372
Other long-term investments					
Related companies	7.2	43,536	43,536	43,536	43,536
Seller loan in Special Purpose Vehicle for Securitization	8	-	-	429,755	466,490
Subordinated lendings	9	1,399,352	1,399,352	1,399,352	1,399,352
Leasehold improvement and equipment		906,718	716,926	734,821	617,897
Intangible assets		715,352	620,158	585,924	553,681
Receivables per currency swap contracts	13 and 14	438,750	949,752	438,750	949,752
Deferred tax assets	10	431,487	354,675	406,297	337,679
Other non-current assets		175,117	159,989	157,759	150,196
Total Non-Current Assets		<u>5,341,741</u>	<u>5,363,768</u>	<u>5,712,837</u>	<u>5,991,957</u>
TOTAL ASSETS		<u><u>63,539,820</u></u>	<u><u>60,636,583</u></u>	<u><u>62,888,488</u></u>	<u><u>60,071,252</u></u>

See condensed notes to the financial statements

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

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		August 20,	February 20,	August 20,	February 20,
		2014	2014	2014	2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	11	1,589,016	1,632,245	1,270,000	1,310,000
Short-term loan from a related company	12	-	-	50,000	50,000
Accounts payable and other payables					
Accounts payable		473,159	576,676	376,220	431,000
Other payables		1,418,163	1,261,260	1,541,206	1,371,949
Current portion of :					
Liabilities under finance lease agreements		30	1,305	-	-
Long-term loans	13	9,519,116	10,309,600	9,519,116	10,309,600
Long-term debentures	14	636,860	-	636,860	-
Accrued income tax		369,492	372,023	333,549	288,846
Payables per currency swap contracts	13 and 14	6,106	333,201	6,106	333,201
Other current liabilities		68,568	55,429	51,865	31,356
Total Current Liabilities		<u>14,080,510</u>	<u>14,541,739</u>	<u>13,784,922</u>	<u>14,125,952</u>
NON-CURRENT LIABILITIES					
Long-term loans	13	32,252,138	31,404,513	32,056,546	31,404,513
Long-term debentures	14	6,300,426	4,909,679	6,300,426	4,909,679
Payables per currency swap contracts	13 and 14	1,141,944	802,168	1,141,944	802,168
Employee benefits obligation	15	65,307	58,953	58,931	53,549
Other non-current liabilities		584	12,082	12,410	7,297
Total Non-Current Liabilities		<u>39,760,399</u>	<u>37,187,395</u>	<u>39,570,257</u>	<u>37,177,206</u>
TOTAL LIABILITIES		<u>53,840,909</u>	<u>51,729,134</u>	<u>53,355,179</u>	<u>51,303,158</u>

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

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		August 20,	February 20,	August 20,	February 20,
		2014	2014	2014	2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY	16				
SHARE CAPITAL					
Authorized share capital					
250,000,000 ordinary shares of Baht 1 each		250,000	250,000	250,000	250,000
Issued and paid-up share capital					
250,000,000 ordinary shares of Baht 1 each, fully paid		250,000	250,000	250,000	250,000
PREMIUM ON ORDINARY SHARE CAPITAL		478,000	478,000	478,000	478,000
RETAINED EARNINGS					
Appropriated					
Legal reserve		25,000	25,000	25,000	25,000
Reserve for business expansion		4,850,000	4,850,000	4,850,000	4,850,000
Unappropriated		4,091,094	3,292,818	3,930,309	3,165,094
OTHER COMPONENTS OF EQUITY					
Exchange differences on translating financial statements of foreign operations		3,930	9,954	-	-
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		9,698,024	8,905,772	9,533,309	8,768,094
NON-CONTROLLING INTERESTS		887	1,677	-	-
TOTAL SHAREHOLDERS' EQUITY		9,698,911	8,907,449	9,533,309	8,768,094
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		63,539,820	60,636,583	62,888,488	60,071,252

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF INCOME
FOR THE THREE-MONTH PERIOD ENDED AUGUST 20, 2014
“UNAUDITED”

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
REVENUES					
Credit card income	17	1,502,074	1,370,767	1,369,360	1,286,871
Loan income		2,196,365	2,041,409	2,191,758	2,043,324
Hire purchase income		100,916	71,767	62,712	57,712
Other income					
Bad debt recovery		173,899	186,417	172,543	186,417
Gain on sales of written-off accounts receivable	23	478,677	-	478,677	-
Collection service income		62,082	37,739	6,505	8,478
Commission income		65,693	56,826	-	-
Gain on sale of leasehold improvement and equipment and intangible assets		37	9	37	9
Dividend income		-	-	-	45,400
Others		61,837	51,554	33,206	31,397
Total other income		842,225	332,545	690,968	271,701
Total Revenues		4,641,580	3,816,488	4,314,798	3,659,608
EXPENSES					
Operating and administrative expenses		1,726,705	1,521,148	1,593,500	1,445,429
Directors and managements' remuneration	18	36,314	27,780	27,259	20,646
Bad debts and doubtful accounts		1,440,660	916,578	1,349,339	892,978
Finance cost		593,002	495,972	562,897	466,749
Total Expenses		3,796,681	2,961,478	3,532,995	2,825,802
INCOME BEFORE INCOME TAX EXPENSE		844,899	855,010	781,803	833,806
INCOME TAX EXPENSE	19	170,938	170,956	152,933	141,805
NET PROFIT FOR THE PERIOD		673,961	684,054	628,870	692,001
NET PROFIT ATTRIBUTABLE TO :					
Owners of the parent		674,289	684,054	628,870	692,001
Non-controlling interests		(328)	-	-	-
		673,961	684,054	628,870	692,001
BASIC EARNINGS PER SHARE	BAHT	2.70	2.74	2.52	2.77
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	250,000,000	250,000,000	250,000,000	250,000,000

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED AUGUST 20, 2014
“UNAUDITED”

	BAHT '000			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2014	2013	2014	2013
Net profit for the period	673,961	684,054	628,870	692,001
Other comprehensive income (loss)				
Exchange differences on translating				
financial statements of foreign operations				
- Owners of the parent	(2,455)	5,448	-	-
- Non-controlling interests	(44)	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	671,462	689,502	628,870	692,001
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO :				
Owners of the parent	671,834	689,502	628,870	692,001
Non-controlling interests	(372)	-	-	-
	671,462	689,502	628,870	692,001

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF INCOME
FOR THE SIX-MONTH PERIOD ENDED AUGUST 20, 2014
“UNAUDITED”

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
REVENUES					
Credit card income	17	2,967,686	2,606,619	2,727,552	2,508,876
Loan income		4,275,307	3,902,062	4,269,389	3,905,699
Hire purchase income		196,553	132,969	123,928	110,627
Other income					
Bad debt recovery		318,243	337,019	316,287	334,299
Gain on sales of written-off accounts receivable	23	478,677	-	478,677	-
Collection service income		123,242	73,643	13,292	17,380
Commission income		124,772	105,204	-	-
Gain on sale of leasehold improvement and equipment and intangible assets		271	59	271	59
Dividend income		-	-	52,908	45,400
Others		116,998	107,720	61,695	57,698
Total other income		1,162,203	623,645	923,130	454,836
Total Revenues		8,601,749	7,265,295	8,043,999	6,980,038
EXPENSES					
Operating and administrative expenses		3,315,746	3,000,902	3,060,306	2,855,940
Directors and managements' remuneration	18	63,746	55,654	45,401	43,270
Bad debts and doubtful accounts		2,486,972	1,671,939	2,336,392	1,691,751
Finance cost		1,154,441	970,102	1,095,167	921,443
Total Expenses		7,020,905	5,698,597	6,537,266	5,512,404
INCOME BEFORE INCOME TAX EXPENSE		1,580,844	1,566,698	1,506,733	1,467,634
INCOME TAX EXPENSE	19	320,784	313,986	279,023	236,070
NET PROFIT FOR THE PERIOD		1,260,060	1,252,712	1,227,710	1,231,564
NET PROFIT ATTRIBUTABLE TO :					
Owners of the parent		1,260,771	1,252,682	1,227,710	1,231,564
Non-controlling interests		(711)	30	-	-
		1,260,060	1,252,712	1,227,710	1,231,564
BASIC EARNINGS PER SHARE	BAHT	5.04	5.01	4.91	4.93
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	250,000,000	250,000,000	250,000,000	250,000,000

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED AUGUST 20, 2014
“UNAUDITED”

BAHT '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Net profit for the period	1,260,060	1,252,712	1,227,710	1,231,564
Other comprehensive income (loss)				
Exchange differences on translating financial statements of foreign operations				
- Owners of the parent	(6,024)	4,310	-	-
- Non-controlling interests	(64)	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,253,972</u>	<u>1,257,022</u>	<u>1,227,710</u>	<u>1,231,564</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO :				
Owners of the parent	1,254,747	1,256,992	1,227,710	1,231,564
Non-controlling interests	(775)	30	-	-
	<u>1,253,972</u>	<u>1,257,022</u>	<u>1,227,710</u>	<u>1,231,564</u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE SIX-MONTH PERIOD ENDED AUGUST 20, 2014
 "UNAUDITED"

BAHT '000

Note	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 Exchange differences on translating financial statements of foreign operations	Total owners of the parent			
			Appropriated Legal reserve	Unappropriated Reserve for business expansion					
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 period									
Increase in share capital from non-controlling interests in subsidiaries	-	-	-	-	-	-	-	30	30
Dividend paid	-	-	-	-	(462,356)	-	(462,356)	(30)	(462,386)
Net profit for the period	-	-	-	-	1,252,682	-	1,252,682	30	1,252,712
Other comprehensive income	-	-	-	-	-	4,310	4,310	-	4,310
Ending balance, as at August 20, 2013	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>2,445,616</u>	<u>3,998</u>	<u>8,052,614</u>	<u>89</u>	<u>8,052,703</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED AUGUST 20, 2014
“UNAUDITED”

BAHT '000

Note	CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)							Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Owners of the parent Retained earnings		Other components of equity	Total owners of the parent			
			Appropriated Legal reserve	Unappropriated Reserve for business expansion	Exchange differences on translating financial statements of foreign operations				
Beginning balance, as at February 21, 2014	250,000	478,000	25,000	4,850,000	3,292,818	9,954	8,905,772	1,677	8,907,449
Changes during the period									
Dividend paid	-	-	-	-	(462,495)	-	(462,495)	(15)	(462,510)
Net profit (loss) for the period	-	-	-	-	1,260,771	-	1,260,771	(711)	1,260,060
Other comprehensive loss	-	-	-	-	-	(6,024)	(6,024)	(64)	(6,088)
Ending balance, as at August 20, 2014	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>4,091,094</u>	<u>3,930</u>	<u>9,698,024</u>	<u>887</u>	<u>9,698,911</u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED AUGUST 20, 2014
“UNAUDITED”

BAHT '000

	Notes	SEPARATE FINANCIAL STATEMENTS				Unappropriated	Total shareholders' equity
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Retained earnings Appropriated Reserve for business expansion		
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 period							
Dividend paid	16.1	-	-	-	-	(462,356)	(462,356)
Net profit for the period		-	-	-	-	1,231,564	1,231,564
Ending balance, as at August 20, 2013		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>2,395,385</u>	<u>7,998,385</u>
Beginning balance, as at February 21, 2014		250,000	478,000	25,000	4,850,000	3,165,094	8,768,094
Changes during the period							
Dividend paid	16.3	-	-	-	-	(462,495)	(462,495)
Net profit for the period		-	-	-	-	1,227,710	1,227,710
Ending balance, as at August 20, 2014		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>3,930,309</u>	<u>9,533,309</u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED AUGUST 20, 2014
“UNAUDITED”

BAHT '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax		1,580,844	1,566,698	1,506,733	1,467,634
Adjustments for:					
Bad debts and doubtful accounts		2,486,972	1,671,939	2,336,392	1,691,751
Depreciation		142,219	114,053	122,980	102,452
Amortization of intangible assets		131,084	149,646	116,212	133,489
Employee benefit expense		7,911	6,144	6,939	5,434
Gain on sale of written-off accounts receivable		(478,677)	-	(478,677)	-
Gain on sale of leasehold improvement and equipment		(271)	(59)	(271)	(59)
Loss on written-off of intangible assets		-	27,744	-	27,744
Interest income		(4,228,566)	(3,665,035)	(3,796,175)	(3,228,738)
Dividend income		-	-	(52,908)	(45,400)
Finance cost		1,154,441	970,102	1,095,167	921,443
		<u>795,957</u>	<u>841,232</u>	<u>856,392</u>	<u>1,075,750</u>
Operating assets (increase) decrease					
Accounts receivable and other receivables		(5,338,326)	(7,332,109)	(8,497,469)	(9,241,822)
Other current assets		(7,976)	5,538	(277)	6,316
Other non-current assets		(20,930)	(14,232)	(13,366)	(13,325)
Operating liabilities increase (decrease)					
Accounts payable and other payables		(24,079)	15,680	8,684	8,015
Other current liabilities		11,174	8,678	18,545	2,291
Other non-current liabilities		(11,497)	-	5,113	-
Cash paid for operations		(4,595,677)	(6,475,213)	(7,622,378)	(8,162,775)
Proceeds from interest income		4,157,462	3,660,845	3,724,641	3,224,588
Dividend received		-	-	52,908	45,400
Finance cost paid		(1,092,753)	(983,313)	(1,031,621)	(935,110)
Income tax paid		(400,130)	(184,405)	(302,938)	(119,038)
Retirement benefits paid		(1,557)	-	(1,557)	-
Net cash used in operating activities		<u>(1,932,655)</u>	<u>(3,982,086)</u>	<u>(5,180,945)</u>	<u>(5,946,935)</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED AUGUST 20, 2014
“UNAUDITED”

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceed from redemption of temporary investments		-	1,550,000	-	-
Cash paid for fixed deposits at banks under obligations		(161)	(6,428)	-	-
Cash paid for purchases of leasehold improvement and equipment		(339,796)	(129,052)	(247,687)	(121,412)
Cash paid for investment in intangible assets		(213,074)	(113,500)	(135,250)	(111,548)
Proceeds from sale of leasehold improvement and equipment		5,296	74	5,296	74
Proceeds from capital refund from other company		-	10	-	10
Cash paid for investment in subsidiaries		-	-	(36,384)	(117,167)
Net cash provided by (used in) investing activities		<u>(547,735)</u>	<u>1,301,104</u>	<u>(414,025)</u>	<u>(350,043)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from sale of additional revolving receivables under securitization projects		-	-	3,420,791	3,748,464
Proceeds from sale of written-off accounts receivable		119,669	-	119,669	-
Proceeds from redemption of subordinated lending		-	1,438,000	-	1,438,000
Cash repayments for subordinated lending		-	(1,399,352)	-	(1,399,352)
Proceeds from bank overdrafts and short-term loans from financial institutions		48,071,961	30,873,191	47,225,500	30,644,000
Cash repayments for bank overdrafts and short-term loans from financial institutions		(48,115,190)	(26,356,875)	(47,265,500)	(26,150,000)
Proceeds from long-term loans		5,804,042	6,257,845	5,608,450	6,257,845
Cash repayments for long-term loans		(5,170,000)	(7,615,270)	(5,170,000)	(7,615,270)
Proceeds from long-term debentures		2,175,000	527,850	2,175,000	527,850
Cash payments for finance lease agreements		(1,290)	(10,000)	-	-
Proceeds from ordinary shares issued of a subsidiary		-	30	-	-
Dividend paid		(462,510)	(462,386)	(462,495)	(462,356)
Net cash provided by financing activities		<u>2,421,682</u>	<u>3,253,033</u>	<u>5,651,415</u>	<u>6,989,181</u>
Net increase (decrease) in cash and cash equivalents		(58,708)	572,051	56,445	692,203
Increase (decrease) in exchange differences on translating financial statements of foreign operations		(6,088)	4,310	-	-
Cash and cash equivalents at beginning of the period		2,434,732	1,691,552	1,801,656	1,024,043
Cash and cash equivalents at the end of the period	5.1	<u><u>2,369,936</u></u>	<u><u>2,267,913</u></u>	<u><u>1,858,101</u></u>	<u><u>1,716,246</u></u>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED AUGUST 20, 2014
"UNAUDITED"**

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 retail finance services which consist of credit card, hire purchase and personal loans and others.

AEON Financial Service Corporation Limited, 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., incorporated in Japan, is the ultimate parent company of the group.

The Company has subsidiaries which are under its control in finance and operations as mentioned in Note 2.4.

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 interim consolidated and separate financial statements are prepared in compliance with Thai Accounting Standard No. 34 (Revised 2012) "Interim Financial Reporting" and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements. Additional information is disclosed in accordance with the regulations of the Securities and Exchange Commission.

2.3 The interim consolidated and separate financial statements for the three-month and six-month periods ended August 20, 2014 and 2013 are prepared by the management of the Company and are unaudited. However, in the opinion of the Company, all adjustments necessary for a fair presentation have been reflected therein.

The consolidated and separate statements of financial position as at February 20, 2014, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which have been audited.

- 2.4 The interim consolidated financial statements for the three-month and six-month periods ended August 20, 2014 and 2013 include the accounts of the Company and its subsidiaries by eliminating significant intercompany balances and transactions.

For the three-month and six-month periods ended August 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	
				2014	2013
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	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	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 4 Special Purpose Vehicle Company Limited had already registered the dissolution with the Department of Business Development, Ministry of Commerce on February 20, 2013. Eternal 4 is under the liquidation process (see Note 6.5).

** Eternal 5 Special Purpose Vehicle Company Limited had already registered the dissolution with the Department of Business Development, Ministry of Commerce on August 20, 2013. Eternal 5 is under the liquidation process (see Note 6.5).

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

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

- 2.5 Certain financial information which is normally included in the financial statements prepared in accordance with the Thai Financial Reporting Standards (TFRSs), but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements should be read in conjunction with the audited financial statements for the year ended February 20, 2014.
- 2.6 Preparation of financial statements in conformity with the Thai Financial Reporting Standards (TFRSs), requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Although management has exercised judgment reasonably on these matters under the current events, actual result may differ from such estimates.

- 2.7 The results of operations for the three-month and six-month periods ended August 20, 2014 are not necessarily indicative of the operating results anticipated for the full year.
- 2.8 The Federation of Accounting Professions has issued the Notification regarding the Thai Financial Reporting Standards (TFRSs) which has been announced in the Royal Gazette, but not yet effective in the current period as follows:

Thai Financial Reporting Standards		Effective date
TFRS 4	Insurance Contracts	January 1, 2016

The Company and subsidiaries' management anticipates that the adoption of the TFRS as above will have no material impact on the financial statements in the period of initial application.

3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since February 21, 2014, 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, 2014 onwards, in the preparation and presentation of these interim financial statements. Such TFRSs have no significant impact on the Company and subsidiaries' financial statements except the accounting policy of Customer Loyalty Programmes, which has been adopted in order to comply with Thai Financial Reporting Interpretation (TFRI) No. 13 "Customer Loyalty Programmes" as follows:

Customer Loyalty Programmes

Customer loyalty programmes are to grant the points whereby customers are awarded credits (Points) entitling customers to the right to purchase products within determined period under condition of customer loyalty programmes. Obligation from granting the points to purchase products or get free service in the future is recognized and measured at the fair value of consideration received or receivable which is derived from outstanding points expected future redemption multiplied by estimated fair value per point by reference to the fair value of the right to purchase the gift. Such obligation is allocated from consideration received or receivable and recorded through "Deferred revenue customer loyalty programmes" in the statement of financial position under "Other payables" and recognized in the statement of income as "Credit card income" when the points are redeemed by customers.

For the three-month and six-month periods ended August 20, 2013, the Company recognized obligation from customer loyalty programmes in accordance with Thai Accounting Standard (TAS) No. 37 (Revised 2009) "Provisions, Contingent Liabilities and Contingent Assets" as a provision in the statement of financial position under "Other payables" and recognized a provision for the expenses in the statement of income under "Operating and administrative expenses" when the customers received the points.

Since the effects of the new accounting treatment are not material to total liabilities in the statement of financial position as at February 20, 2014 and net profit in the statement of income for the three-month and six-month periods ended August 20, 2013, the Company has applied prospectively this accounting treatment in the financial statements for the three-month and six-month periods ended August 20, 2014.

4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended February 20, 2014, except adoption of new and revised Thai Financial Reporting Standards as disclosed in Note 3.

5. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

5.1 Cash and cash equivalents are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at August 20, 2014 Baht '000	As at February 20, 2014 Baht '000	As at August 20, 2014 Baht '000	As at February 20, 2014 Baht '000
Cash	1,001,686	867,109	992,982	861,615
Deposits at bank - call deposits	1,368,250	1,567,623	865,119	940,041
Cash and cash equivalents	<u>2,369,936</u>	<u>2,434,732</u>	<u>1,858,101</u>	<u>1,801,656</u>

5.2 Cash paid for purchase of leasehold improvement and equipment and intangible assets for the six-month periods ended August 20, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014 Baht '000	2013 Baht '000	2014 Baht '000	2013 Baht '000
Leasehold improvement and equipment				
Liabilities recorded - brought forward	34,488	38,474	34,488	38,474
Purchase of leasehold improvement and equipment	<u>337,036</u>	<u>190,625</u>	<u>244,927</u>	<u>182,985</u>
	371,524	229,099	279,415	221,459
<u>Less</u> Cash payments for purchase of leasehold improvement and equipment	<u>(339,796)</u>	<u>(129,052)</u>	<u>(247,687)</u>	<u>(121,412)</u>
Liabilities recorded - carried forward	<u>31,728</u>	<u>100,047</u>	<u>31,728</u>	<u>100,047</u>
Intangible assets				
Liabilities recorded - brought forward	11,717	10,234	11,717	10,234
Purchase of intangible assets	<u>226,279</u>	<u>124,294</u>	<u>148,455</u>	<u>122,342</u>
	237,996	134,528	160,172	132,576
<u>Less</u> Cash payments for investment in intangible assets	<u>(213,074)</u>	<u>(113,500)</u>	<u>(135,250)</u>	<u>(111,548)</u>
Liabilities recorded - carried forward	<u>24,922</u>	<u>21,028</u>	<u>24,922</u>	<u>21,028</u>

5.3 During the six-month periods ended August 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 loan Account of Baht 37 million and Baht 2,186 million, respectively, instead of cash receipt.

6. ACCOUNTS RECEIVABLE

6.1 Accounts receivable consist of:

	CONSOLIDATED FINANCIAL STATEMENTS					
	"Unaudited"					
	As at August 20, 2014			As at February 20, 2014		
	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000
Hire-purchase receivable						
Hire-purchase and accrued interest receivable	1,023,693	700,293	1,723,986	992,994	610,883	1,603,877
<u>Less</u> Unearned financing income	<u>(191,249)</u>	<u>(68,447)</u>	<u>(259,696)</u>	<u>(186,073)</u>	<u>(66,650)</u>	<u>(252,723)</u>
	832,444	631,846	1,464,290	806,921	544,233	1,351,154
<u>Less</u> Allowance for doubtful Accounts	<u>(38,636)</u>	<u>-</u>	<u>(38,636)</u>	<u>(25,743)</u>	<u>(720)</u>	<u>(26,463)</u>
Hire-purchase and accrued interest receivable - net	<u>793,808</u>	<u>631,846</u>	<u>1,425,654</u>	<u>781,178</u>	<u>543,513</u>	<u>1,324,691</u>
Loans receivable						
Loans and accrued interest Receivable	34,883,796	586,006	35,469,802	33,341,396	562,451	33,903,847
<u>Less</u> Allowance for doubtful accounts	<u>(1,386,616)</u>	<u>-</u>	<u>(1,386,616)</u>	<u>(1,350,268)</u>	<u>-</u>	<u>(1,350,268)</u>
Loans and accrued interest receivable - net	<u>33,497,180</u>	<u>586,006</u>	<u>34,083,186</u>	<u>31,991,128</u>	<u>562,451</u>	<u>32,553,579</u>
Credit card receivable						
Credit card and accrued interest receivable	21,209,701	-	21,209,701	19,553,174	-	19,553,174
<u>Less</u> Allowance for doubtful accounts	<u>(837,715)</u>	<u>-</u>	<u>(837,715)</u>	<u>(535,377)</u>	<u>-</u>	<u>(535,377)</u>
Credit card and accrued interest receivable - net	<u>20,371,986</u>	<u>-</u>	<u>20,371,986</u>	<u>19,017,797</u>	<u>-</u>	<u>19,017,797</u>
Receivable from rendering the collection service	31,343	-	31,343	5,869	-	5,869
Receivable from insurance broker business	70,395	-	70,395	114,874	-	114,874
Total accounts receivable	<u>54,764,712</u>	<u>1,217,852</u>	<u>55,982,564</u>	<u>51,910,846</u>	<u>1,105,964</u>	<u>53,016,810</u>

SEPARATE FINANCIAL STATEMENTS

“Unaudited”

	As at August 20, 2014			As at February 20, 2014		
	Due within 1 year	Due after 1 year	Total	Due within 1 year	Due after 1 year	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Hire-purchase receivable						
Hire-purchase and accrued interest receivable	819,457	443,634	1,263,091	801,730	437,102	1,238,832
<u>Less</u> Unearned financing income	<u>(191,249)</u>	<u>(68,447)</u>	<u>(259,696)</u>	<u>(186,073)</u>	<u>(66,650)</u>	<u>(252,723)</u>
	628,208	375,187	1,003,395	615,657	370,452	986,109
<u>Less</u> Allowance for doubtful accounts	<u>(29,828)</u>	<u>-</u>	<u>(29,828)</u>	<u>(23,873)</u>	<u>-</u>	<u>(23,873)</u>
Hire-purchase and accrued interest receivable - net	<u>598,380</u>	<u>375,187</u>	<u>973,567</u>	<u>591,784</u>	<u>370,452</u>	<u>962,236</u>
Loans receivable						
Loans and accrued interest receivable	34,797,997	562,700	35,360,697	33,309,773	560,550	33,870,323
<u>Less</u> Allowance for doubtful accounts	<u>(1,386,523)</u>	<u>-</u>	<u>(1,386,523)</u>	<u>(1,350,269)</u>	<u>-</u>	<u>(1,350,269)</u>
Loans and accrued interest receivable - net	<u>33,411,474</u>	<u>562,700</u>	<u>33,974,174</u>	<u>31,959,504</u>	<u>560,550</u>	<u>32,520,054</u>
Credit card receivable						
Credit card and accrued interest receivable	20,837,000	-	20,837,000	19,147,246	-	19,147,246
<u>Less</u> Allowance for doubtful accounts	<u>(718,749)</u>	<u>-</u>	<u>(718,749)</u>	<u>(452,818)</u>	<u>-</u>	<u>(452,818)</u>
Credit card and accrued interest receivable - net	<u>20,118,251</u>	<u>-</u>	<u>20,118,251</u>	<u>18,694,428</u>	<u>-</u>	<u>18,694,428</u>
Total accounts receivable	<u>54,128,105</u>	<u>937,887</u>	<u>55,065,992</u>	<u>51,245,716</u>	<u>931,002</u>	<u>52,176,718</u>

6.2 Quality of assets

Accounts receivable classified by aging, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at August 20, 2014	As at February 20, 2014	As at August 20, 2014	As at February 20, 2014
	Baht '000	Baht '000	Baht '000	Baht '000
Less than 3 months	56,315,826	53,294,947	55,373,267	52,454,807
3 months up	1,929,705	1,633,971	1,827,825	1,548,871
Total	58,245,531	54,928,918	57,201,092	54,003,678
<u>Less</u> Allowance for doubtful accounts	<u>(2,262,967)</u>	<u>(1,912,108)</u>	<u>(2,135,100)</u>	<u>(1,826,960)</u>
Total accounts receivable	<u>55,982,564</u>	<u>53,016,810</u>	<u>55,065,992</u>	<u>52,176,718</u>

6.3 Troubled debt restructuring

For the three-month periods ended August 20, 2014 and 2013, the Company had recognized interest income on restructured debts totaling Baht 22.05 million and Baht 27.83 million, respectively.

For the six-month periods ended August 20, 2014 and 2013, the Company had recognized interest income on restructured debts totaling Baht 109.85 million and Baht 90.93 million, respectively.

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	“Unaudited”			
	As at August 20, 2014		As at February 20, 2014	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	37,833	1,224,718	39,542	1,198,004
Non-restructured accounts receivable	3,556,825	56,919,075	3,467,985	53,610,171
Total accounts receivable	3,594,658	58,143,793	3,507,527	54,808,175

	SEPARATE FINANCIAL STATEMENTS			
	“Unaudited”			
	As at August 20, 2014		As at February 20, 2014	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	37,833	1,224,718	39,542	1,198,004
Non-restructured accounts receivable	3,366,797	55,976,374	3,285,212	52,805,674
Total accounts receivable	3,404,630	57,201,092	3,324,754	54,003,678

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

6.4 Allowance for doubtful accounts

Allowance for doubtful accounts are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at August 20, 2014	As at February 20, 2014	As at August 20, 2014	As at February 20, 2014
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	1,912,108	1,620,005	1,826,960	1,523,340
Bad debts and doubtful accounts	2,486,972	3,842,833	2,336,392	3,765,075
Bad debts written off	(2,136,113)	(3,550,730)	(2,028,252)	(3,461,455)
Ending balance	2,262,967	1,912,108	2,135,100	1,826,960

6.5 Transfers of financial assets

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

Details of aforementioned sales of receivables are summarized as follows:

		Eternal 4*	Eternal 5**	Eternal 6***
Approved date of the securitization projects by the Office of the Securities and Exchange Commission of Thailand ("the SEC")		June 21, 2007	May 19, 2010	May 10, 2013
Initial selling date		June 25, 2007	May 20, 2010	May 20, 2013
Type of transferred receivables		Credit Card Receivable	Credit Card Receivable	Credit Card Receivable
Revolving period		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	3,038,017,234	4,355,040,449	4,500,002,090
Proceeds from transfer of the right of receivables (see Note 14)	Baht	2,205,000,000	2,790,000,000	2,960,000,000
Subordinated lendings (see Note 9)	Baht	744,000,000	1,438,000,000	1,399,351,988
Minimum seller loan - pari passu with debentures (see Note 8)	Baht	88,470,000	126,840,000	130,780,560
Number of contracts		178,751	205,485	183,047
Average principal amount outstanding	Baht	16,996	21,194	24,584
Interest rate		18% p.a.	20% p.a.	20% p.a.

* 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.

On October 10, 2012, Eternal 4 redeemed all seller loan 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 under the liquidation process (see Note 7.1).

On May 10, 2013, Eternal 5 redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and debentures, and the Company repurchased all outstanding receivables from Eternal 5 which led to the end of the securitization project of Eternal 5 on the same date. As at August 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 5 had passed the resolutions to approve the dissolution and liquidation, and Eternal 5 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 5 is under the liquidation process (see Note 7.1).

For the three-month and six-month periods ended August 20, 2014 and 2013, transactions relating to the transfer of financial assets under the securitization projects are summarized as follows:

	For the three-month periods ended August 20,		For the six-month periods ended August 20,	
	2014	2013	2014	2013
	Million Baht	Million Baht	Million Baht	Million Baht
Transfers of future credit card receivables (at book value)				
- Credit card receivable (Eternal 5)	-	-	-	1,132
- Credit card receivable (Eternal 6)	1,662	1,943	3,421	2,617
	<u>1,662</u>	<u>1,943</u>	<u>3,421</u>	<u>3,749</u>
Cash collection on behalf of Special Purpose Vehicles				
- Credit card receivable (Eternal 5)	-	-	-	1,270
- Credit card receivable (Eternal 6)	1,911	2,059	3,825	2,738
	<u>1,911</u>	<u>2,059</u>	<u>3,825</u>	<u>4,008</u>
Servicing income on cash collection from Special Purpose Vehicles				
- Credit card receivable (Eternal 5)	-	-	-	45
- Credit card receivable (Eternal 6)	70	68	138	69
	<u>70</u>	<u>68</u>	<u>138</u>	<u>114</u>

The outstanding receivables sold to Special Purpose Vehicles and managed by the Company classified by aging are as follows:

	"Unaudited"	
	As at August 20, 2014 Million Baht	As at February 20, 2014 Million Baht
Credit card receivables (included accrued interest income)		
- Eternal 6		
Less than 3 months	4,639	4,683
3 months up	93	82
	<u>4,732</u>	<u>4,765</u>
<u>Less</u> Allowance for doubtful accounts	<u>(119)</u>	<u>(82)</u>
Total	<u><u>4,613</u></u>	<u><u>4,683</u></u>

7. INVESTMENTS IN SUBSIDIARIES AND LONG-TERM INVESTMENTS IN RELATED COMPANIES

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

7.1 Investments in subsidiaries consist of:

	SEPARATE FINANCIAL STATEMENTS			
	“Unaudited”			
	As at August 20, 2014		As at February 20, 2014	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Investments in subsidiaries (see Note 20.1)				
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	26.00	10.4
AEON Microfinance (Cambodia) Private Company Limited	100.00	118,160.0	100.00	118,160.0
AEON Insurance Service (Thailand) Company Limited	100.00	149,224.3	100.00	149,224.3
ACS Servicing (Thailand) Company Limited	100.00	175,349.1	100.00	175,349.1
AEON Microfinance (Myanmar) Company Limited	100.00	115,272.9	100.00	78,889.1
AEON Leasing Service (Lao) Company Limited	69.00	20,718.2	69.00	20,718.2
Total investments in subsidiaries		<u>578,755.7</u>		<u>542,371.9</u>

- (1) On October 10, 2012, Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) redeemed all seller loan 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 under the liquidation process (see Note 6.5).
- (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 under the liquidation process (see Note 6.5).
- (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) 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.

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.

Subsequently, on June 16, 2014 and July 18, 2014, the Company paid Baht 16.24 million and Baht 20.14 million, respectively, for additional investment for capital increase of AEON Microfinance (Myanmar) Company Limited.

- (6) 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.

7.2 Long-term investments in related companies consist of:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	"Unaudited"			
	As at August 20, 2014		As at February 20, 2014	
	% 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	5.23	8,500
PT. Aeon Credit Service Indonesia (173 shares of IDR 30 million each, par value of IDR 30 million, fully paid)	5.18	19,072	5.18	19,072
AEON Credit Service Systems (Philippines) Inc. (100,000 shares of PHP 100 each, par value of PHP 100, fully paid)	10.00	7,645	10.00	7,645
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
		52,036		52,036
<u>Less</u> Allowance for impairment of investment		(8,500)		(8,500)
Total long-term investments in related companies		43,536		43,536

8. SELLER LOAN IN SPECIAL PURPOSE VEHICLES FOR SECURITIZATION

Seller loan in Special Purpose Vehicles for securitization is as follows:

	SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at August 20, 2014 Baht '000	As at February 20, 2014 Baht '000
Seller loan in Special Purpose Vehicles for securitization (see Note 20.2.1)		
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	429,755	466,490
Seller loan in Special Purpose Vehicle for Securitization	429,755	466,490

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

9. SUBORDINATED LENDINGS

Subordinated lendings with Special Purpose Vehicles are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at August 20, 2014 Baht '000	As at February 20, 2014 Baht '000
Subordinated lendings (see Note 20.2.1)		
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	1,399,352	1,399,352
Subordinated lendings	1,399,352	1,399,352

On May 14, 2013, the Company entered into the subordinated bridging loan agreement with Eternal 6 amounting to Baht 1,399,351,988 for the purpose of partial payment of the Initial Credit Card Receivables from Eternal 6 under the provision of the Receivable Sale Agreement (see Note 6.5). The interest was received on the monthly basis at the rate of 12% per annum. Subsequently, such bridging loan was refinanced to be subordinated term loan in October 2013 in accordance with such bridging loan agreement. The term loan is due in the year 2018 and the interest is received on the monthly basis at the rate of 12% per annum.

10. DEFERRED TAX ASSETS

Deferred tax assets consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“Unaudited”			
	As at	As at	As at	As at
	August 20,	February 20,	August 20,	February 20,
	2014	2014	2014	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	450,813	381,904	427,020	365,392
Non-accrual of interest income	64,850	57,852	63,346	57,008
Employee benefit obligation	13,061	11,790	11,787	10,710
Others	21,993	15,081	21,915	14,778
	<u>550,717</u>	<u>466,627</u>	<u>524,068</u>	<u>447,888</u>
Deferred tax liabilities				
Finance lease	1,458	1,743	-	-
Unrealized loss on currency swap contracts	117,772	110,209	117,771	110,209
	<u>119,230</u>	<u>111,952</u>	<u>117,771</u>	<u>110,209</u>
Deferred tax assets	<u>431,487</u>	<u>354,675</u>	<u>406,297</u>	<u>337,679</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	“Unaudited”			
	Balance	Items as	Items as	Balance
	As at	recognized in	recognized	As at
	February 21,	profit or loss	in other	August 20,
	2014		comprehensive	2014
			income	
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	381,904	68,909	-	450,813
Non-accrual of interest income	57,852	6,998	-	64,850
Employee benefit obligation	11,790	1,271	-	13,061
Others	15,081	6,912	-	21,993
	<u>466,627</u>	<u>84,090</u>	<u>-</u>	<u>550,717</u>
Deferred tax liabilities				
Finance lease	1,743	(285)	-	1,458
Unrealized loss on currency swap contracts	110,209	7,563	-	117,772
	<u>111,952</u>	<u>7,278</u>	<u>-</u>	<u>119,230</u>
Deferred tax assets	<u>354,675</u>	<u>76,812</u>	<u>-</u>	<u>431,487</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Balance As at February 21, 2013	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance As at February 20, 2014
	Baht '000	Baht '000	Baht '000	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>

SEPARATE FINANCIAL STATEMENTS
"Unaudited"

	Balance As at February 21, 2014	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance As at August 20, 2014
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	365,392	61,628	-	427,020
Non-accrual of interest income	57,008	6,338	-	63,346
Employee benefit obligation	10,710	1,077	-	11,787
Others	14,778	7,137	-	21,915
	<u>447,888</u>	<u>76,180</u>	<u>-</u>	<u>524,068</u>
Deferred tax liabilities				
Unrealized loss on currency swap contracts	110,209	7,562	-	117,771
	<u>110,209</u>	<u>7,562</u>	<u>-</u>	<u>117,771</u>
Deferred tax assets	<u>337,679</u>	<u>68,618</u>	<u>-</u>	<u>406,297</u>

SEPARATE FINANCIAL STATEMENTS

	Balance As at February 21, 2013	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance As at February 20, 2014
	Baht '000	Baht '000	Baht '000	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>

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

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

CONSOLIDATED FINANCIAL STATEMENTS				
“Unaudited”				
	As at August 20, 2014		As at February 20, 2014	
	Interest rate	Baht '000	Interest rate	Baht '000
	%		%	
Overdrafts in THB currency	2.20	90,000	2.45	160,000
Short term loans in THB currency	2.10	1,180,000	2.35 - 2.60	1,150,000
Short term loans in USD currency	0.98 - 1.32	286,216	1.00 - 1.20	322,245
Short term loans in LAK currency	11.00 - 11.25	32,800	-	-
Total		<u>1,589,016</u>		<u>1,632,245</u>

SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
	As at August 20, 2014		As at February 20, 2014	
	Interest rate	Baht '000	Interest rate	Baht '000
	%		%	
Overdrafts in THB currency	2.20	90,000	2.45	160,000
Short term loans in THB currency	2.10	<u>1,180,000</u>	2.35 - 2.60	<u>1,150,000</u>
Total		<u>1,270,000</u>		<u>1,310,000</u>

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

As at August 20, 2014, a subsidiary has short-term loans in LAK currency which are under letters of credit issued by two banks for guarantee repayment of loans of not exceeding USD 2.65 million (see Note 22).

12. SHORT-TERM LOAN FROM RELATED COMPANY

As at August 20, 2014 and 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.

13. LONG-TERM LOANS

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

CONSOLIDATED FINANCIAL STATEMENTS			
“Unaudited”			
As at August 20, 2014			
	Interest rate	Foreign currency	Baht equivalent
	%	Million	Baht '000
Loan in YEN currency	4.10 - 5.26	45,220.00	14,172,672
Loan in USD currency	2.16 - 4.60	586.65	18,773,314
Loan in THB currency	3.65 - 5.00	-	8,950,000
<u>Less</u> Loan issuance cost			<u>(124,732)</u>
			41,771,254
<u>Less</u> Current portion of long-term loans			<u>(9,519,116)</u>
Total long-term loans			<u>32,252,138</u>

SEPARATE FINANCIAL STATEMENTS			
“Unaudited”			
As at August 20, 2014			
	Interest rate	Foreign currency	Baht equivalent
	%	Million	Baht '000
Loan in YEN currency	4.10 - 5.26	45,220.00	14,172,672
Loan in USD currency	2.59 - 4.60	580.65	18,577,722
Loan in THB currency	3.65 - 5.00	-	8,950,000
<u>Less</u> Loan issuance cost			<u>(124,732)</u>
			41,575,662
<u>Less</u> Current portion of long-term loans			<u>(9,519,116)</u>
Total long-term loans			<u>32,056,546</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
As at February 20, 2014			
	Interest rate	Foreign currency	Baht equivalent
	%	Million	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			<u>(133,792)</u>
			41,714,113
<u>Less</u> Current portion of long-term loans			<u>(10,309,600)</u>
Total long-term loans			<u>31,404,513</u>

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
As at August 20, 2014				
	Principal to be received/ paid Baht '000	Carrying amount		Total Baht '000
		Less than 1 year Baht '000	1 - 5 years Baht '000	
Receivable per currency swap				
Cross Currency Swap Contracts				
USD currency	2,272,235	40,846	70,524	111,370
Cross Currency Interest Rate Swap Contracts				
YEN currency	1,566,250	-	830	830
USD currency	13,670,489	331,109	272,837	603,946
	<u>17,508,974</u>	<u>371,955</u>	<u>344,191</u>	<u>716,146</u>
Payable per currency swap				
Cross Currency Interest Rate Swap Contracts				
YEN currency	13,694,700	-	(1,089,108)	(1,089,108)
USD currency	1,957,200	-	(37,518)	(37,518)
	<u>15,651,900</u>	<u>-</u>	<u>(1,126,626)</u>	<u>(1,126,626)</u>
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 20, 2014				
	Principal to be received/ paid Baht '000	Carrying amount		Total Baht '000
		Less than 1 year Baht '000	1 - 5 years Baht '000	
Receivable per currency swap				
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>1,310,849</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>

14. 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 "Unaudited"	
								As at August 20, 2014	As at February 20, 2014
								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	639,894	654,588
14/07/2011	14/07/2016	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.30	Semi-annual	479,921	490,941
16/12/2011	16/12/2016	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.80	Semi-annual	639,894	654,588
30/08/2012	30/08/2017	30	USD	1,000,000	30,000,000	USD-LIBOR 3M	Quarterly	959,841	981,882
13/09/2012	13/09/2017	20	USD	1,000,000	20,000,000	USD-LIBOR 3M + 0.20	Quarterly	639,894	654,588
24/07/2013	29/07/2018	17	USD	1,000,000	17,000,000	USD-LIBOR 6M + 0.01	Semi-annual	543,910	556,400
29/11/2013	29/11/2018	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.05	Semi-annual	959,841	981,882
28/03/2014	28/03/2019	30	USD	1,000,000	30,000,000	USD-LIBOR 6M	Semi-annual	959,841	-
10/07/2014	10/07/2017	1,200,000	THB	1,000	1,200,000,000	4.43	Quarterly	1,200,000	-
								7,023,036	4,974,869
<u>Less</u> Debenture issuance cost								(85,750)	(65,190)
								6,937,286	4,909,679
<u>Less</u> Current portion of long-term debentures								(636,860)	-
Long-term debentures								6,300,426	4,909,679

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 and interest rate swap contracts to hedge its debt as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS "Unaudited"			
	As at August 20, 2014			
	Principal to be received/ paid	Carrying amount		Total
		Less than 1 year	1 - 5 years	
Baht '000	Baht '000	Baht '000	Baht '000	
Receivable per currency swap				
Cross Currency Interest Rate Swap Contracts				
USD currency	3,168,900	-	94,559	94,559
	<u>3,168,900</u>	<u>-</u>	<u>94,559</u>	<u>94,559</u>
Payable per currency swap contracts				
Cross Currency Interest Rate Swap Contracts				
USD currency	2,581,000	(6,106)	(15,318)	(21,424)
	<u>2,581,000</u>	<u>(6,106)</u>	<u>(15,318)</u>	<u>(21,424)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

As at February 20, 2014

	Principal to be	Carrying amount		Total
	received/ paid	Less than 1 year	1 - 5 years	
	Baht '000	Baht '000	Baht '000	Baht '000
Receivable per currency swap				
Cross Currency Interest Rate Swap Contracts				
USD currency	4,774,900	-	199,969	199,969
	<u>4,774,900</u>	<u>-</u>	<u>199,969</u>	<u>199,969</u>

On May 20, 2013, Eternal 6 Special Purpose Vehicle Company Limited, the Company's subsidiary, issued the debentures of Baht 2,960 million (see Note 6.5), under the Securitization project. Cash flows from a pool of credit card receivables will be used to make payments for the debentures. Interest on the debentures will be payable monthly commencing on July 9, 2013.

The subsidiaries' debentures are as follows:

Debenture Classes	Maturity date	Amount	Interest rate	"Unaudited"	
				As at August 20, 2014	As at February 20, 2014
		Baht '000	%	Baht '000	Baht '000
Eternal 6 Special Purpose Vehicle Co., Ltd.					
Class A-sf	June 8, 2018	2,960,000	3.83	2,960,000	2,960,000
				<u>2,960,000</u>	<u>2,960,000</u>

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

15. 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 three-month and six-month periods ended August 20, 2014 and 2013, amounts recognized in the statements of income in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month periods ended August 20,		For the six-month periods ended August 20,	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Current service cost	3,328	2,613	6,651	5,227
Interest cost	628	459	1,260	917
Total	<u>3,956</u>	<u>3,072</u>	<u>7,911</u>	<u>6,144</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month		For the six-month	
	periods ended August 20,		periods ended August 20,	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Current service cost	2,891	2,295	5,782	4,590
Interest cost	579	422	1,157	844
Total	<u>3,470</u>	<u>2,717</u>	<u>6,939</u>	<u>5,434</u>

Movements in the present value of the post-employment benefits obligation for the six-month periods ended August 20, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	58,953	44,659	53,549	40,578
Current service cost	6,651	5,227	5,782	4,590
Interest cost	1,260	917	1,157	844
Benefit paid	<u>(1,557)</u>	<u>-</u>	<u>(1,557)</u>	<u>-</u>
Ending balance	<u>65,307</u>	<u>50,803</u>	<u>58,931</u>	<u>46,012</u>

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at August 20, 2014 and February 20, 2013 are as follows:

	CONSOLIDATED	SEPARATE
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	% per annum	% per annum
Financial assumptions		
Discount rate	3.65 - 4.36	4.32
Turnover rate		
Monthly staffs	0.0 - 49.0	0.0 - 20.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staffs	0.0 - 55.0	0.0 - 48.0
	Subject to range of age of employees	Subject to range of age of employees
Temporary staffs	0.0 - 64.0	0.0 - 64.0
	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

16. SHAREHOLDERS' EQUITY

- 16.1 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 had been paid to all shareholders at Baht 1.15 per share, totaling Baht 287.43 million on October 22, 2012.
- 16.2 On September 26, 2013, the Company's Board of Directors' meeting passed the resolution the 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.
- 16.3 At the Annual General Meeting of shareholders held on June 12, 2014, the shareholders had the resolutions to approve the declaration of final dividends for the fiscal year 2013 at the rate of Baht 1.85 per share, totaling Baht 462.50 million. The aforementioned shareholders included 2,700 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 462.49 million which were paid to all shareholders on June 24, 2014 in addition to the interim dividends which had been paid to all shareholders at Baht 1.60 per share, totaling Baht 399.95 million on October 24, 2013.
- 16.4 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.

17. 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 three-month and six-month periods ended August 20, 2014 and 2013, the details of revenues from securitization transaction consist of the following:

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month		For the six-month	
	periods ended August 20,		periods ended August 20,	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Credit Card Income				
Interest income from subordinated lending	42,326	41,866	83,271	70,219
Revenue from seller loan in				
Special Purpose Vehicle	4,995	3,843	9,569	13,333
Dividend from investment in				
Special Purpose Vehicle	17,279	79,736	60,127	242,763
Servicing income	70,014	68,388	137,739	114,245
Total	<u>134,614</u>	<u>193,833</u>	<u>290,706</u>	<u>440,560</u>

18. DIRECTORS AND MANAGERMENTS' REMUNERATION

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

For the three-month and six-month periods ended August 20, 2014 and 2013, directors and managements' remuneration are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month		For the six-month	
	periods ended August 20,		periods ended August 20,	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Managements' remuneration	26,873	22,373	49,267	42,463
Directors' remuneration	8,668	4,855	12,934	12,028
Post-employment benefits	773	552	1,545	1,163
	<u>36,314</u>	<u>27,780</u>	<u>63,746</u>	<u>55,654</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month		For the six-month	
	periods ended August 20,		periods ended August 20,	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Managements' remuneration	19,782	17,748	34,777	33,173
Directors' remuneration	6,990	2,510	9,650	9,320
Post-employment benefits	487	388	974	777
	<u>27,259</u>	<u>20,646</u>	<u>45,401</u>	<u>43,270</u>

For the three-month and six-month periods ended August 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 12, 2014 and June 18, 2013, respectively.

19. 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% 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% for corporate income tax calculation for the three-month and six-month periods ended August 20, 2014 and 2013, respectively. Foreign subsidiaries used tax rates of 20% - 30% for corporate income tax calculation for the three-month and six-month periods ended August 20, 2014 and 2013.

The Company and its local subsidiaries used tax rates of 20% for deferred tax calculation for the three-month and six-month periods ended August 20, 2014 and 2013. Foreign subsidiaries used tax rates of 20% - 30% for deferred tax calculation for the three-month and six-month periods ended August 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 three-month and six-month periods ended August 20, 2014 and 2013, income tax consists of:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month		For the six-month	
	periods ended August 20,		periods ended August 20,	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the period	265,583	188,104	397,596	333,500
Deferred income tax expense (revenue)	(94,645)	(17,148)	(76,812)	(19,514)
Income tax expense per statements of income	<u>170,938</u>	<u>170,956</u>	<u>320,784</u>	<u>313,986</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month		For the six-month	
	periods ended August 20,		periods ended August 20,	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the period	239,285	154,408	347,641	266,397
Deferred income tax expense (revenue)	(86,352)	(12,603)	(68,618)	(30,327)
Income tax expense per statements of income	<u>152,933</u>	<u>141,805</u>	<u>279,023</u>	<u>236,070</u>

Reconciliations of effective tax rates for the three-month and six-month periods ended August 20, 2014 and 2013 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS								
	For the three-month periods ended August 20,				For the six-month periods ended August 20,			
	2014		2013		2014		2013	
	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate
	Baht '000	%	Baht '000	%	Baht '000	%	Baht '000	%
Profit before tax	844,899		855,010		1,580,844		1,566,698	
Income tax at the tax rate	168,397	20.00 - 30.00	171,002	20.00	314,941	20.00 - 30.00	313,340	20.00
<u>Add</u> Tax effect of income and expense that are not exempt for tax purposes	2,641	0.31	146	0.20	6,091	0.39	1,080	0.07
<u>Less</u> Tax effect of income and expense that are exempt for tax purposes	(100)	(0.01)	(192)	(0.20)	(248)	(0.02)	(434)	(0.03)
Income tax expenses per statements of income	170,938	20.23	170,956	20.00	320,784	20.29	313,986	20.04

SEPARATE FINANCIAL STATEMENTS								
	For the three-month periods ended August 20,				For the six-month periods ended August 20,			
	2014		2013		2014		2013	
	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate
	Baht '000	%	Baht '000	%	Baht '000	%	Baht '000	%
Profit before tax	781,803		833,806		1,506,733		1,467,634	
Income tax at the tax rate	156,361	20.00	166,761	20.00	301,347	20.00	293,527	20.00
<u>Add</u> Tax effect of income and expense that are not exempt for tax purposes	337	0.09	264	0.03	740	0.05	609	0.04
<u>Less</u> Tax effect of income and expense that are exempt for tax purposes	(3,765)	(0.48)	(25,220)	(3.02)	(23,064)	(1.53)	(58,066)	(3.96)
Income tax expenses per statements of income	152,933	19.56	141,805	17.01	279,023	18.52	236,070	16.08

20. 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:

20.1 Investments in subsidiaries (see Note 7.1) are as follows:

Related parties	Relationship	Paid-up Capital Baht '000	% Ownership	SEPARATE FINANCIAL STATEMENTS "Unaudited"	
				As at August 20, 2014 Cost Baht '000	As at February 20, 2014 Cost Baht '000
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	40.0	26.0	10.4	10.4
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	40.0	26.0	10.4	10.4
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	40.0	26.0	10.4	10.4
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	118,160.0	100.0	118,160.0	118,160.0
AEON Insurance Service (Thailand) Company Limited	Subsidiary	149,224.3	100.0	149,224.3	149,224.3
ACS Servicing (Thailand) Company Limited	Subsidiary	175,349.1	100.0	175,349.1	175,349.1
AEON Microfinance (Myanmar) Company Limited	Subsidiary	115,272.9	100.0	115,272.9	78,889.1
AEON Leasing Service (Lao) Company Limited	Subsidiary	30,834.9	69.0	20,718.2	20,718.2
Total investments in subsidiaries				<u>578,755.7</u>	<u>542,371.9</u>

20.2 Business transactions with related parties

20.2.1 Balances with related parties are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS "Unaudited"		SEPARATE FINANCIAL STATEMENTS "Unaudited"	
		As at August 20, 2014 Baht '000	As at February 20, 2014 Baht '000	As at August 20, 2014 Baht '000	As at February 20, 2014 Baht '000
Other receivables					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	165,741	194,876
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	1,503	416
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	9,160	1,561
AEON Financial Service Corporation Limited	Major shareholder	2,779	344	2,779	344
AEON Credit Service Company Limited	Common ultimate holding company	52	-	52	-
ACS Capital Corporation Limited	Shareholder and one common director	8,546	294	127	294
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	-	-	-	98
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	191	5,972
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	186	-	186	-
AEON Microfinance (Myanmar) Company Limited	Subsidiary	-	-	12	-
AEON Financial Service (Hong Kong) Limited	Common ultimate holding company and two common directors	459	-	459	-
		<u>12,022</u>	<u>638</u>	<u>180,210</u>	<u>203,561</u>

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
		As at August 20, 2014 Baht '000	As at February 20, 2014 Baht '000	As at August 20, 2014 Baht '000	As at February 20, 2014 Baht '000
Seller loan in Special Purpose Vehicle for Securitization (see Note 8)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	429,755	466,490
Subordinated lending (see Note 9)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	1,399,352	1,399,352	1,399,352	1,399,352
Short-term loan (see Note 12)					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	50,000	50,000
Accounts payable					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	108,673	106,985
Other payables					
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	44	44
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	44	44
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	146,082	119,630
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	7,634	8,703
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	32,780	30,507
ACS Capital Corporation Limited	Shareholder and one common director	76	-	-	-
AEON (Thailand) Company Limited	Holding shares and two common directors	5	32	5	32
AEON Financial Service Company Limited	Major shareholder	86,797	57,799	86,797	57,799
AEON Credit Service Company Limited	Common ultimate holding company	13,468	-	8,948	-
AEON Credit Service Systems (Philippines) Inc.	Holding shares	1,276	-	1,276	-
		<u>101,622</u>	<u>57,831</u>	<u>283,610</u>	<u>216,759</u>

20.2.2 Transactions with related parties

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS			
		For the three-month periods ended		For the six-month periods ended	
		August 20, 2014 Baht '000	August 20, 2013 Baht '000	August 20, 2014 Baht '000	August 20, 2013 Baht '000
Other income					
ACS Capital Corporation Limited	Shareholder and one common director	3,921	3,375	7,619	7,328
Operating and administrative expenses					
Others					
AEON Financial Service Company Limited	Major shareholder	15,905	8,616	29,769	15,690
AEON Credit Service Company Limited	Common ultimate holding company	7,338	5,844	13,456	11,934
AEON (Thailand) Company Limited	Holding shares and two common directors	3,423	2,492	7,359	5,071
ACS Capital Corporation Limited	Shareholder and one common director	11,157	6,462	21,561	12,632
AEON Credit Service Systems (Philippines) Inc.	Holding shares	3,038	2,339	11,790	4,026
		<u>40,861</u>	<u>25,753</u>	<u>83,935</u>	<u>49,353</u>
Dividend paid					
ACS Capital Corporation Limited	Shareholder and one common director	88,800	88,800	88,800	88,800
AEON Financial Service Company Limited	Major shareholder	162,430	162,430	162,430	162,430
		<u>251,230</u>	<u>251,230</u>	<u>251,230</u>	<u>251,230</u>
Purchase of computer software					
AEON Credit Service Systems (Philippines) Inc.	Holding shares	-	-	5,643	-

CONSOLIDATED FINANCIAL STATEMENTS					
Related parties	Relationship	For the three-month		For the six-month	
		periods ended	August 20,	periods ended	August 20,
		2014	2013	2014	2013
		Baht '000	Baht '000	Baht '000	Baht '000
Sale promotion income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	2,249	1,916	4,226	3,637
Revenue relating to securitization transaction					
(including in credit card income)					
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	617	-	574
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	911	-	200,936
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	134,614	237,726	290,706	238,978
		<u>134,614</u>	<u>239,254</u>	<u>290,706</u>	<u>440,488</u>
Other income					
ACS Capital Corporation Limited	Shareholder and one common director	3,921	3,375	7,619	7,328
AEON Insurance Service (Thailand) Company Limited	Subsidiary	7,041	5,791	12,732	11,578
ACS Servicing (Thailand) Company Limited	Subsidiary	783	741	1,514	1,741
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	95	-	192	-
		<u>11,840</u>	<u>9,907</u>	<u>22,057</u>	<u>20,647</u>
Operating and administrative expenses					
Collection service fee					
ACS Servicing (Thailand) Company Limited	Subsidiary	91,253	75,723	166,798	152,434
Others					
AEON Financial Service Company Limited	Major shareholder	15,905	8,616	29,769	15,690
AEON Credit Service Company Limited	Common ultimate holding company	4,084	3,646	6,807	7,749
AEON (Thailand) Company Limited	Holding shares and two common directors	3,423	2,492	7,359	5,071
AEON Insurance Service (Thailand) Company Limited	Subsidiary	30	-	70	-
ACS Capital Corporation Limited	Shareholder and one common director	10,872	6,462	21,012	12,632
AEON Credit Service Systems (Philippines) Inc.	Holding shares	3,038	2,339	11,790	4,026
		<u>128,605</u>	<u>99,278</u>	<u>243,605</u>	<u>197,602</u>
Dividend received					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	30,600	35,000	30,600
ACS Servicing (Thailand) Company Limited	Subsidiary	-	14,800	17,908	14,800
		<u>-</u>	<u>45,400</u>	<u>52,908</u>	<u>45,400</u>
Dividend paid					
ACS Capital Corporation Limited	Shareholder and one common director	88,800	88,800	88,800	88,800
AEON Financial Service Company Limited	Major shareholder	162,430	162,430	162,430	162,430
		<u>251,230</u>	<u>251,230</u>	<u>251,230</u>	<u>251,230</u>
Purchase of computer programs					
AEON Credit Service Systems (Philippines) Inc.	Holding shares	-	-	5,173	-

- Other income for the three-month and six-month periods ended August 20, 2014 and 2013 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. For the six-month period ended August 20, 2013, other income also included 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.
- Revenues relating to securitization transactions are determined by the Company and subsidiaries in accordance with securitization projects (see Note 6.5).
- Collection service fee paid to ACS Servicing (Thailand) Co., Ltd. is based on general market price and in the normal course of business.
- Management assistant fee is paid to AEON Financial Service Corporation 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) Inc. based on specified in the agreement.

21. SEGMENT INFORMATION

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

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

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

Transactions between segments are recorded on the same basis as the transaction conducted with the third party transactions. Transactions between segments are eliminated on consolidation.

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

21.1 Operating result classified by business

CONSOLIDATED FINANCIAL STATEMENTS					
For the three-month period ended August 20, 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	4,449,259	47,212	145,109	-	4,641,580
Inter - segment revenues	-	-	91,979	(91,979)	-
	<u>4,449,259</u>	<u>47,212</u>	<u>237,088</u>	<u>(91,979)</u>	<u>4,641,580</u>
Expenses					
Operating and administrative expenses	1,607,353	37,009	173,859	(91,516)	1,726,705
Directors and managements' remuneration	27,258	6,351	2,705	-	36,314
Bad debts and doubtful accounts	1,437,054	3,606	-	-	1,440,660
Finance cost	591,472	1,990	3	(463)	593,002
Total expenses	<u>3,663,137</u>	<u>48,956</u>	<u>176,567</u>	<u>(91,979)</u>	<u>3,796,681</u>
Net income (loss) before income tax expense	786,122	(1,744)	60,521	-	844,899
Income tax expense	157,253	1,721	11,964	-	170,938
Net income (loss) for the period	<u>628,869</u>	<u>(3,465)</u>	<u>48,557</u>	<u>-</u>	<u>673,961</u>

CONSOLIDATED FINANCIAL STATEMENTS					
For the three-month period ended August 20, 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	3,743,900	14,722	57,866	-	3,816,488
Inter - segment revenues	114,889	-	124,545	(239,434)	-
	<u>3,858,789</u>	<u>14,722</u>	<u>182,411</u>	<u>(239,434)</u>	<u>3,816,488</u>
Expenses					
Operating and administrative expenses	1,526,808	10,492	132,173	(148,325)	1,521,148
Directors and managements' remuneration	20,646	850	6,284	-	27,780
Bad debts and doubtful accounts	916,300	278	-	-	916,578
Finance cost	541,325	247	109	(45,709)	495,972
Total expenses	<u>3,005,079</u>	<u>11,867</u>	<u>138,566</u>	<u>(194,034)</u>	<u>2,961,478</u>
Net income (loss) before income tax expense	853,710	2,855	43,845	(45,400)	855,010
Income tax expense	161,706	324	8,926	-	170,956
Net income (loss) for the period	<u>692,004</u>	<u>2,531</u>	<u>34,919</u>	<u>(45,400)</u>	<u>684,054</u>

CONSOLIDATED FINANCIAL STATEMENTS
For the six-month period ended August 20, 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	8,286,481	86,621	228,647	-	8,601,749
Inter - segment revenues	-	-	228,726	(228,726)	-
	<u>8,286,481</u>	<u>86,621</u>	<u>457,373</u>	<u>(228,726)</u>	<u>8,601,749</u>
Expenses					
Operating and administrative expenses	3,087,956	68,716	334,429	(175,355)	3,315,746
Directors and managements' remuneration	45,401	10,657	7,688	-	63,746
Bad debts and doubtful accounts	2,479,956	7,016	-	-	2,486,972
Finance cost	1,151,385	3,504	15	(463)	1,154,441
Total expenses	<u>6,764,698</u>	<u>89,893</u>	<u>342,132</u>	<u>(175,818)</u>	<u>7,020,905</u>
Net income (loss) before income tax expense	1,521,783	(3,272)	115,241	(52,908)	1,580,844
Income tax expense	294,059	3,960	22,765	-	320,784
Net income (loss) for the period	<u>1,227,724</u>	<u>(7,232)</u>	<u>92,476</u>	<u>(52,908)</u>	<u>1,260,060</u>

CONSOLIDATED FINANCIAL STATEMENTS
For the six-month period ended August 20, 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	7,090,000	23,385	151,910	-	7,265,295
Inter - segment revenues	198,537	-	207,517	(406,054)	-
	<u>7,288,537</u>	<u>23,385</u>	<u>359,427</u>	<u>(406,054)</u>	<u>7,265,295</u>
Expenses					
Operating and administrative expenses	2,992,724	17,292	267,988	(277,102)	3,000,902
Directors and managements' remuneration	43,270	3,062	9,322	-	55,654
Bad debts and doubtful accounts	1,671,321	618	-	-	1,671,939
Finance cost	1,052,893	479	282	(83,552)	970,102
Total expenses	<u>5,760,208</u>	<u>21,451</u>	<u>277,592</u>	<u>(360,654)</u>	<u>5,698,597</u>
Net income (loss) before income tax expense	1,528,329	1,934	81,835	(45,400)	1,566,698
Income tax expense	296,728	550	16,708	-	313,986
Net income (loss) for the period	<u>1,231,601</u>	<u>1,384</u>	<u>65,127</u>	<u>(45,400)</u>	<u>1,252,712</u>

21.2 Financial position classified by business

CONSOLIDATED FINANCIAL STATEMENTS					
“Unaudited”					
As at August 20, 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	55,933,153	579,844	277,842	(164,893)	56,625,946
Equipment and intangible assets	1,320,744	141,256	160,070	-	1,622,070
Other assets	5,517,285	66,920	346,277	(638,678)	5,291,804
Total assets	<u>62,771,182</u>	<u>788,020</u>	<u>784,189</u>	<u>(803,571)</u>	<u>63,539,820</u>
Total liabilities	<u>53,237,772</u>	<u>545,422</u>	<u>274,033</u>	<u>(216,318)</u>	<u>53,840,909</u>

CONSOLIDATED FINANCIAL STATEMENTS					
As at February 20, 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	52,738,020	446,260	307,881	(149,298)	53,342,863
Equipment and intangible assets	1,171,578	45,824	119,682	-	1,337,084
Other assets	6,125,845	75,619	356,041	(600,869)	5,956,636
Total assets	<u>60,035,443</u>	<u>567,703</u>	<u>783,604</u>	<u>(750,167)</u>	<u>60,636,583</u>
Total liabilities	<u>51,267,248</u>	<u>348,168</u>	<u>313,016</u>	<u>(199,298)</u>	<u>51,729,134</u>

22. CREDIT FACILITIES AND LETTER OF GUARANTEE

- 22.1 As at August 20, 2014 and February 20, 2014, 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.
- 22.2 As at August 20, 2014 and February 20, 2014, the Company has unused overdraft facilities with various banks totaling same amount of Baht 1,005.10 million and Baht 935.10 million, respectively. Such overdraft facilities are unsecured.
- 22.3 As at August 20, 2014 and February 20, 2014, the Company has bank’s letter of guarantees issued to suppliers for guarantee payment of Baht 0.30 million. Such letter of guarantees are unsecured.
- 22.4 As at August 20, 2014 and February 20, 2014, two subsidiaries have letters of guarantee issued by banks in the amounts of Baht 3.93 million and Baht 3.62 million, respectively.
- 22.5 As at August 20, 2014, a subsidiary has outstanding letters of credit issued by two banks for guarantee repayment of loans of not exceeding USD 2.65 million (see Note 11).

23. SALES OF WRITTEN-OFF ACCOUNTS RECEIVABLE

On August 20, 2014, the Company sold written-off accounts receivable under loan agreements, hire purchase agreements and credit card agreements by a bidding process to a local company (the “buyer”) with the purchase price of Baht 478.68 million and the value-added tax of hire purchase agreements of Baht 2.62 million, totaling Baht 481.30 million. At the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement sets out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off accounts receivable under loan agreements, hire purchase agreements and credit card agreements. As at August 20, 2014, the closing date as specified in the agreement, the Company received the initial payment of Baht 120.32 million from the purchaser. The purchaser agrees to pay the remaining amount of purchase price amounting to Baht 360.98 million in three times of Baht 120.33 million per each, on September 20, 2014, October 20, 2014 and the delivery date, respectively. The Company recognized income from sale of written-off accounts receivable of Baht 478.68 million in the consolidated and separate statements of income for the three-month and six-month periods ended August 20, 2014 and recorded outstanding receivables of Baht 360.98 million as other receivables in the consolidated and separate statements of financial position as at August 20, 2014.

Under the Asset Sale and Purchase Agreement, the buyer was entitled to claim damages from the Company from sales of loans receivable in events the buyer did not have lawful title over loans receivable or loan agreement, hire purchase agreement and credit card agreement were not legal as specified in the agreement. The claim was to be settled with the final payment which the Company would receive from the buyer. However, the Company believed that such damage was not significant, therefore, the Company had not recorded such claim in the financial statements for the three-month and six-month periods ended August 20, 2014. In addition, if the buyer wished to sell or transfer loan that were intended to be a portfolio sale to a third party, the Company was entitled to a right to first negotiate with the buyer with regard to a purchase of the portfolio before any third party. If the negotiation did not conclude within three months or the Company decided not to make a purchase, the buyer might sell such loan to a third party.

24. EVENTS AFTER THE REPORTING PERIOD

- 24.1 On September 10, 2014, the Company has paid for the capital injection to AEON Microfinance (Myanmar) Company Limited amounting to USD 625,000 or approximately Baht 20,093,750 according to the consideration and approval of capital injection to AEON Microfinance (Myanmar) Company Limited from Board of Directors Meeting on June 27, 2014. The Company still maintains 100% of shareholding in the subsidiary.
- 24.2 On September 26, 2014, the Company has paid for the capital injection to AEON Leasing Service (Lao) Company Limited amounting to USD 2,491,281 or approximately Baht 81 million according to the consideration and approval of capital injection to AEON Leasing Service (Lao) Company Limited from Board of Directors Meeting on August 22, 2014. The Company holds 91.14% of shareholding in the subsidiary after capital increased.

25. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuing by the Company's authorized director and the Audit Committee on September 29, 2014.

(Translation)

Management Discussion and Analysis for the 2nd Quarter ended August 20, 2014

AEON Thana Sinsap (Thailand) Public Company Limited (“The Company”) has already submitted the reviewed Q2/2014 financial statements as of August 20, 2014 which were reviewed by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The operating performance is summarized as follows;

Overview

The Thai economy in the second quarter of 2014 grew by 0.4% expanded from the previous quarter. While household consumption rose by 0.2%. The expansion was a result of increase in domestic and external demand and increase in merchandise exports. In addition, the overall unemployment rate and inflation rate remained low. For the second half, the economic was likely to pick up following improvement in political situation, which helped restore households and business confidence in the second half of 2014.

As of August 20, 2014, the Company’s total cards reached 7.15 million cards (including 2.23 million credit cards and 4.92 million member cards), the Company has 117 branches, 453 ATMs and over 16,400 member dealers to provide financial services to AEON cardholders.

Summary of Operation Results

1. Operating Results

Revenues

In the first half of fiscal year 2014, revenues amounted to 8,602 million baht, increasing by 18% y-y. The Company reported 4,642 million baht of total consolidated revenues in Q2/2014, increasing by 22% y-y and 18% q-q. This was mainly attributed by continue promotion on credit card business, growth of subsidiaries (AEON Insurance Service (Thailand) Co., Ltd, ACS Servicing (Thailand) Co., Ltd, and AEON Microfinance (Cambodia) Private Company Limited.), and sales of written-off accounts receivable. As of August 20, 2014, the Company has number of active billing of 3.55 million accounts and ID base of 2.28 million IDs, mainly from Bangkok 36%, and up-country 64%. Details of each business can be described as follows:

- Credit Card

In the first half of 2014, credit cards turnover comprised of 45% of total turnovers, with an income of 2,968 million baht, increasing by 14% y-y. For the second quarter of 2014, credit card income reached 1,502 million baht, increasing by 10% y-y and 2% q-q. This was due to the fact that the Company has continued privileges and campaigns to AEON credit cardholders. Focusing on card recruitment activities, the Company has encouraged card application on AEON card recruitment events through the Company's website and dealer network nationwide.

- Loans

In the first half of 2014, loans shared 49% of total turnovers (shared 25% from personal loan and 24% from purposed loan for mobile phone, IT products, electrical appliances and etc. through more than 16,400 dealers nationwide) with the revenues of 4,275 million baht, increasing by 10% y-y. For the second quarter, loans income amounted to 2,196 million baht, increasing by 8% y-y and 6% q-q. The Company expanded more service channels providing more convenience to customers and this also saved the Company's operation cost. In July 2014, the Company joined with Krungthai Bank Pcl. and launched cashing channel "Your cash" service through more than 9,500 KTB ATMs nationwide for AEON member card. Therefore, AEON members can utilize the revolving loans service through many service channels; besides AEONTS ATMs, Counter Service through 7-11 nationwide, other major bank ATMs i.e. Kasikorn, Thanachart, Bangkok Bank, Krungsri, Krungthai and they can also transfer and receive cash through Thailand Post Office nationwide.

- Hire Purchase

In the first half of 2014, hire purchase (consolidated hire purchase business in Cambodia and Lao), sharing 1% of total turnovers with revenues of 197 million baht, increasing by 48% y-y. In Q2/2014, revenues from hire purchase were 101 million baht, increasing by 41% y-y. mainly contributed from hire purchase income from AEON Microfinance (Cambodia) Private Company Limited., which grew more than 2 times from last year. The continuous growth of AEON Cambodia was due to opening of AEON Mall in June 2014. 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

For six-month period, the Company recorded income from others at 1,162 million baht, representing 14% of total revenues. The majority of other incomes came from bad debt recovery of 318 million baht which accounted for 4% of total revenues and gain on sales of written-off accounts receivable of 479 million baht.

Moreover, others income also included the income from company's subsidiaries in Thailand such as commission income of 125 million baht, increasing by 19% y-y from AEON Insurance Service (Thailand) Co., Ltd. and collection service income of 123 million baht, increasing by 67% y-y from ACS Servicing (Thailand) Co., Ltd. accordingly and others. The Company has planed to generate more fee base incomes in the future.

Expenses

In the first half of 2014, the consolidated expenses amounted to 7,021 million baht increasing by 23% y-y. For the second quarter, the consolidated expenses were 3,797 million baht, increasing by 28% from the same period last year. Details of major expenses can be described as follows:

- Operating and Administrative Expenses

For the first half 2014, consolidated operating and administrative expenses were 3,379 million baht, increasing by 11% y-y and represented 39% of total revenues. In Q2/2014, the consolidated operating and administrative expenses were 1,763 million baht, increasing by 14% y-y and represented 38% of total revenues. Mainly came from increased collection staff to support more customers, maintenance cost of systems and rental cost to support business growth as well as improve competitive edge.

- Bad Debts and Doubtful Accounts

The consolidated bad debts and doubtful accounts, in the first half 2014, amounted to 2,487 million baht, increasing by 49% y-y. For the second quarter, the Company recorded bad debts and doubtful accounts of 1,441 million baht, increasing by 57% y-y. The increase was due to economic slowdown in the first half of this year.

- Finance Cost

The Company recorded finance cost of 1,154 million baht for first six-month period, 19% increase from the same period last year. For the second quarter, finance cost was 593 million baht, increasing by 20% y-y. This was because of an increase in total borrowings to support business growth. However, finance cost in the first half 2014 accounted for 13% of total revenues, the same level as last year. The Company manages liquidity risk and interest rates fluctuation risk by mainly locking in long-term borrowing, represented 77% of total borrowing in Q2/2014.

Net Profit

In the second quarter of 2014, the Company reported net profit of 674 million baht or 2.70 baht per share, decreasing by 1% y-y. For six-month period this year, net profit was 1,261 million baht or 5.04 baht per share.

2. Financial Status

Total Assets

As of August 20, 2014, the Company had 63,540 million baht of consolidated total assets, increasing by 5% from the end of fiscal year 2013. The increase of assets was mainly driven by growth of accounts receivable from business expansion. Net accounts receivable was 88% of total assets.

-Accounts Receivable

The Company had consolidated accounts receivable of 58,246 million baht, increasing by 6% from that of 54,929 million baht at the end of fiscal year 2013. These can be categorized by credit card business of 21,210 million baht, loans business of 35,470 million baht, hire purchase business of 1,464 million baht and others of 102 million baht.

Due to the Company's sustainable collection result, as of August 20, 2014, the Company provided allowance for doubtful accounts of 2,263 million baht or 3.89% of total accounts receivable.

Liabilities

The Company consolidated total liabilities were 53,841 million baht at the end of the Q2/2014, increasing by 4% from the end of fiscal year 2013. This was due to 4% increase in the total borrowings to 50,298 million baht. The portion of long-term borrowings was 38,553 million baht or 77% of total borrowings.

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

Shareholder Equity

The Company's shareholder equity reached 9,699 million baht, increasing by 9% from the end of fiscal year 2013. Consequently, Book value as of August 20, 2014 was 38.8 baht per share, increasing from that of 35.60 baht per share as of February 20, 2014.

For six-month period 2014, the Company recorded return on equity (ROE) at 27.1% and return on asset (ROA) at 4.1% and equity ratio of 15.3%. Debt to Equity ratio as of August 20, 2014 slightly decreased to 5.6 times from 5.8 times as of February 20, 2014.

The Company also announced interim dividend payment for the first-half of fiscal year 2014 at the rate of 1.60 baht per share to the shareholders on October 27, 2014. The record date to determine the names of the shareholders who have the rights to receive the dividend and the closing date of the shareholders registration book, pursuant to section 225 of the Securities and Exchange Act shall be on October 14, 2014 and October 15, 2014, respectively.

(Translation)

No. 39/2014

September 30, 2014

President

The Stock Exchange of Thailand

Re: Financial statements Q2/2014, interim dividend payment, issuance and offering of debentures.

We, AEON Thana Sinsap (Thailand) Public Company Limited (“Company”), hereby reported the resolutions passed at the meeting of the Board of Directors No. 9/2014, held on September 30, 2014, from 10.03 a.m. as follows:

1. Unanimously approved the 1st half-year of Company's performance (February 21, 2014 – August 20, 2014);
2. Unanimously approved the consolidated reviewed 2nd quarter financial statements and six-month period of the Company ended August 20, 2014;
3. Unanimously approved interim dividend payment for the first-half of fiscal year 2014 (February 21, 2014 - August 20, 2014). The dividends will be paid at the rate of 1 Baht 60 satang per share, totaling 400,000,000 baht or 31.7% payout ratio. The shareholder register book for the right to receive dividends shall be recorded on October 14, 2014 and also, October 15, 2014 shall be the book closing date in which the shareholder list as specified in section 225 of the Securities and Exchange Act shall be complied. The Company will pay dividend on October 27, 2014.
4. With reference to the Company's Annual General Meeting of Shareholders held on June 12, 2014 which resolved the issuing debenture in an amount of not more than 8 Billion Baht equivalent for financing, using as capital or refinancing the outstanding debts the remain unissuing balance is 7,000 million baht. Therefore, the Company Board of Director meeting has unanimously approved the issuing of debenture, details as follows;

Type	Unsubordinated and unsecured Debentures
Purpose	General working capital and/or reserve fund and/or refinance debts
Currency to issue	THB
Issuing amount	Up to THB 1 Billion
Tenor	Up to 3 years
Placement	institutional investors
Interest rate	Depend on debenture market at the time of each offering and issuance

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

Please be informed accordingly

Yours sincerely,

Yasuhiko Kondo
Managing Director