

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED

We have audited the consolidated financial statements of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate financial statements of AEON Thana Sinsap (Thailand) Public Company Limited, which comprise the consolidated and separate statements of financial position as at February 20, 2015 and the related consolidated and separate statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and of AEON Thana Sinsap (Thailand) Public Company Limited as at February 20, 2015, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

BANGKOK
April 8, 2015

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT FEBRUARY 20, 2015

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5.1	2,769,448	2,434,732	2,218,371	1,801,656
Accounts receivable and other receivables					
Accounts receivable	6	55,290,320	51,910,846	54,692,829	51,245,716
Other receivables	7	209,713	326,053	324,619	432,810
Receivables per currency swap contracts	20 and 21	341,989	561,066	341,989	561,066
Other current assets		55,160	40,118	38,787	38,047
Total Current Assets		<u>58,666,630</u>	<u>55,272,815</u>	<u>57,616,595</u>	<u>54,079,295</u>
NON-CURRENT ASSETS					
Accounts receivable	6	1,194,777	1,105,964	764,250	931,002
Fixed deposits at banks under obligations	8	21,958	13,416	-	-
Investment in associate	9.1 and 9.2	37,235	-	16,819	-
Investments in subsidiaries	9.2	-	-	720,255	542,372
Other long-term investments					
Related companies	9.3	26,717	43,536	26,717	43,536
Seller loan in Special Purpose Vehicle for securitization	10	-	-	232,008	466,490
Subordinated lendings	11	1,399,352	1,399,352	1,399,352	1,399,352
Leasehold improvement and equipment	12	1,029,777	716,926	850,316	617,897
Intangible assets	13	737,417	620,158	613,366	553,681
Receivables per currency swap contracts	20 and 21	623,217	949,752	623,217	949,752
Deferred tax assets	14	481,224	354,675	454,765	337,679
Other non-current assets	15	173,770	159,989	159,391	150,196
Total Non-Current Assets		<u>5,725,444</u>	<u>5,363,768</u>	<u>5,860,456</u>	<u>5,991,957</u>
TOTAL ASSETS		<u><u>64,392,074</u></u>	<u><u>60,636,583</u></u>	<u><u>63,477,051</u></u>	<u><u>60,071,252</u></u>

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT FEBRUARY 20, 2015

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	16	3,155,305	1,632,245	2,800,000	1,310,000
Short-term loan from a related company	17	-	-	50,000	50,000
Accounts payable and other payables					
Accounts payable		495,555	576,676	362,421	431,000
Other payables	18	1,297,242	1,261,260	1,436,025	1,371,949
Current portion of :					
Liabilities under finance lease agreements	19	-	1,305	-	-
Long-term loans	20	10,040,561	10,309,600	10,040,561	10,309,600
Long-term debentures	21	652,646	-	652,646	-
Accrued income tax		314,468	372,023	282,910	288,846
Payables per currency swap contracts	20	541,568	333,201	541,568	333,201
Other current liabilities		75,231	55,429	61,234	31,356
Total Current Liabilities		16,572,576	14,541,739	16,227,365	14,125,952
NON-CURRENT LIABILITIES					
Long-term loans	20	28,197,261	31,404,513	27,866,130	31,404,513
Long-term debentures	21	6,910,366	4,909,679	6,910,366	4,909,679
Payables per currency swap contracts	20	2,190,317	802,168	2,190,317	802,168
Employee benefit obligations	22	76,220	58,953	71,346	53,549
Other non-current liabilities		514	12,082	10,983	7,297
Total Non-Current Liabilities		37,374,678	37,187,395	37,049,142	37,177,206
TOTAL LIABILITIES		53,947,254	51,729,134	53,276,507	51,303,158

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT FEBRUARY 20, 2015

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY	23				
SHARE CAPITAL					
Authorized share capital					
250,000,000 ordinary shares of Baht 1 each		250,000	250,000	250,000	250,000
Issued and paid-up share capital					
250,000,000 ordinary shares of Baht 1 each, fully paid		250,000	250,000	250,000	250,000
PREMIUM ON ORDINARY SHARE CAPITAL		478,000	478,000	478,000	478,000
RETAINED EARNINGS					
Appropriated					
Legal reserve	24	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		4,842,294	3,292,818	4,597,544	3,165,094
OTHER COMPONENTS OF EQUITY	26				
Exchange differences on translating financial statements of foreign operations					
		(1,119)	9,954	-	-
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT					
		10,444,175	8,905,772	10,200,544	8,768,094
NON-CONTROLLING INTERESTS					
		645	1,677	-	-
TOTAL SHAREHOLDERS' EQUITY					
		10,444,820	8,907,449	10,200,544	8,768,094
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		64,392,074	60,636,583	63,477,051	60,071,252

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF INCOME

FOR THE YEAR ENDED FEBRUARY 20, 2015

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
REVENUES					
Credit card income	27	6,164,036	5,497,224	5,713,129	5,194,684
Loan income		8,680,056	8,157,005	8,650,184	8,162,218
Hire-purchase income		403,919	307,332	248,201	233,884
Other income					
Bad debt recovery		628,946	678,194	622,694	674,964
Gain on sales of written-off accounts receivable	38	605,998	-	605,998	-
Collection service income		207,240	154,882	26,586	32,728
Commission income		253,203	217,327	-	-
Gain (loss) on sale of leasehold improvement and equipment and intangible assets		(49)	1,433	(8)	1,429
Dividend income		-	-	52,908	45,400
Others		264,594	221,402	132,500	120,122
Total other income		<u>1,959,932</u>	<u>1,273,238</u>	<u>1,440,678</u>	<u>874,643</u>
Total Revenues		<u>17,207,943</u>	<u>15,234,799</u>	<u>16,052,192</u>	<u>14,465,429</u>
EXPENSES					
Operating and administrative expenses		6,709,181	6,086,119	6,160,748	5,754,214
Directors and managements' remuneration	28	118,190	107,760	79,595	79,497
Bad debts and doubtful accounts		5,015,029	3,842,833	4,745,620	3,765,075
Finance costs		2,358,259	2,060,914	2,234,456	1,953,638
Total Expenses		<u>14,200,659</u>	<u>12,097,626</u>	<u>13,220,419</u>	<u>11,552,424</u>
Share of profit from investment in associate	9.1	<u>20,416</u>	<u>-</u>	<u>-</u>	<u>-</u>
PROFIT BEFORE INCOME TAX EXPENSE		<u>3,027,700</u>	<u>3,137,173</u>	<u>2,831,773</u>	<u>2,913,005</u>
INCOME TAX EXPENSE	31	<u>611,152</u>	<u>635,708</u>	<u>529,573</u>	<u>510,105</u>
NET PROFIT FOR THE YEAR		<u><u>2,416,548</u></u>	<u><u>2,501,465</u></u>	<u><u>2,302,200</u></u>	<u><u>2,402,900</u></u>
NET PROFIT ATTRIBUTABLE TO :					
Owners of the parent		2,417,534	2,501,435	2,302,200	2,402,900
Non-controlling interests		(986)	30	-	-
		<u>2,416,548</u>	<u>2,501,465</u>	<u>2,302,200</u>	<u>2,402,900</u>
BASIC EARNINGS PER SHARE	BAHT	9.67	10.01	9.21	9.61
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	250,000,000	250,000,000	250,000,000	250,000,000

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED FEBRUARY 20, 2015

BAHT '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
Net profit for the year		2,416,548	2,501,465	2,302,200	2,402,900
Other comprehensive income (loss)					
Exchange differences on translating financial statements of foreign operations	26				
- Owners of the parent		(11,073)	10,266	-	-
- Non-controlling interests		(31)	-	-	-
Actuarial loss from actuarial assumptions net income tax		(5,568)	(1,605)	(7,260)	(1,681)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,399,876</u>	<u>2,510,126</u>	<u>2,294,940</u>	<u>2,401,219</u>
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO :					
Owners of the parent		2,400,893	2,510,096	2,294,940	2,401,219
Non-controlling interests		(1,017)	30	-	-
		<u>2,399,876</u>	<u>2,510,126</u>	<u>2,294,940</u>	<u>2,401,219</u>

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED FEBRUARY 20, 2015

BAHT '000

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED FEBRUARY 20, 2015

BAHT '000

Notes	CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)							Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Owners of the parent Retained earnings		Other components of equity	Total owners of the parent			
			Appropriated	Unappropriated	of equity				
			Legal reserve	Reserve for business expansion	Exchange differences on translating financial statements of a foreign operation				
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 year									
Dividend paid	23	-	-	-	(462,495)	-	(462,495)	(15)	(462,510)
Interim dividend paid	23	-	-	-	(399,995)	-	(399,995)	-	(399,995)
Net profit (loss) for the year		-	-	-	2,417,534	-	2,417,534	(986)	2,416,548
Other comprehensive loss		-	-	-	(5,568)	(11,073)	(16,641)	(31)	(16,672)
Ending balance, as at February 20, 2015	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>4,842,294</u>	<u>(1,119)</u>	<u>10,444,175</u>	<u>645</u>	<u>10,444,820</u>

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED FEBRUARY 20, 2015

BAHT '000

	Notes	SEPARATE FINANCIAL STATEMENTS				Total shareholders' equity	
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings Appropriated Legal reserve	Retained earnings Reserve for business expansion		Unappropriated
Beginning balance, as at February 21, 2013		250,000	478,000	25,000	4,850,000	1,626,177	7,229,177
Changes during the year							
Dividend paid	23	-	-	-	-	(462,356)	(462,356)
Interim dividend paid	23	-	-	-	-	(399,946)	(399,946)
Net profit for the year		-	-	-	-	2,402,900	2,402,900
Other comprehensive loss		-	-	-	-	(1,681)	(1,681)
Ending balance, as at February 20, 2014		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>3,165,094</u>	<u>8,768,094</u>
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 year							
Dividend paid	23	-	-	-	-	(462,495)	(462,495)
Interim dividend paid	23	-	-	-	-	(399,995)	(399,995)
Net profit for the year		-	-	-	-	2,302,200	2,302,200
Other comprehensive loss		-	-	-	-	(7,260)	(7,260)
Ending balance, as at February 20, 2015		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>4,597,544</u>	<u>10,200,544</u>

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED FEBRUARY 20, 2015

BAHT '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax expense		3,027,700	3,137,173	2,831,773	2,913,005
Adjustments for:					
Share of profit from investment in associate		(20,416)	-	-	-
Bad debts and doubtful accounts		5,015,029	3,842,833	4,745,620	3,765,075
Depreciation		303,017	253,033	257,079	225,693
Amortization of intangible assets		255,627	291,075	224,850	260,007
Employee benefit expense		15,764	12,288	13,879	10,869
Gain on sale of written-off accounts receivable		(605,998)	-	(605,998)	-
(Gain) loss on sale of leasehold improvement and equipment		49	(1,498)	8	(1,494)
Loss on written-off of leasehold improvement and equipment		40	-	-	-
Loss on sale of intangible assets		-	65	-	65
Loss on written-off of intangible assets		-	27,745	-	27,745
Interest income		(8,739,068)	(7,891,401)	(7,878,627)	(7,014,107)
Dividend income		-	-	(52,908)	(45,400)
Finance cost		2,358,259	2,060,914	2,234,456	1,953,638
		<u>1,610,003</u>	<u>1,732,227</u>	<u>1,770,132</u>	<u>2,095,096</u>
Operating assets (increase) decrease					
Accounts receivable and other receivables		(8,186,275)	(12,530,913)	(14,090,138)	(17,847,894)
Other current assets		(15,042)	20,233	(740)	8,373
Other non-current assets		(28,509)	(6,855)	(23,922)	(12,155)
Operating liabilities increase (decrease)					
Accounts payable and other payables		(92,955)	73,629	(104,496)	21,415
Other current liabilities		19,802	(67,400)	29,878	(77,465)
Other non-current liabilities		(11,568)	9,382	3,687	7,297
Cash paid for operations		<u>(6,704,544)</u>	<u>(10,769,697)</u>	<u>(12,415,599)</u>	<u>(15,805,333)</u>
Proceeds from interest income		8,557,917	7,252,405	7,693,173	6,424,309
Dividend received		-	-	52,908	45,400
Finance cost paid		(2,257,972)	(1,952,623)	(2,133,731)	(1,846,128)
Income tax paid		(793,863)	(487,948)	(650,780)	(387,015)
Retirement benefits paid		(5,457)	-	(5,157)	-
Net cash used in operating activities		<u>(1,203,919)</u>	<u>(5,957,863)</u>	<u>(7,459,186)</u>	<u>(11,568,767)</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED FEBRUARY 20, 2015

BAHT '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceed from redemption of temporary investments		-	1,550,000	-	-
Cash paid for fixed deposits at banks under obligations		(8,542)	(10,050)	-	-
Cash paid for purchases of leasehold improvement and equipment		(647,169)	(451,148)	(520,598)	(383,618)
Cash paid for purchases of intangible assets		(367,588)	(239,192)	(279,237)	(219,700)
Proceeds from sale of leasehold improvement and equipment		5,572	12,910	5,452	12,891
Proceeds from sale of intangible assets		-	1,155	-	1,155
Proceeds from capital refund from other company		-	10	-	10
Proceeds from sales of investment in subsidiary		-	1,588	-	9,308
Cash paid for investment in subsidiaries		-	-	(177,883)	(165,972)
Net cash provided by (used in) investing activities		<u>(1,017,727)</u>	<u>865,273</u>	<u>(972,266)</u>	<u>(745,926)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from sale of additional revolving receivables under securitization projects		-	-	6,643,558	7,457,740
Proceeds from sale of written-off accounts receivable		605,998	-	605,998	-
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		106,527,355	103,307,141	104,651,757	102,641,233
Cash repayments for bank overdrafts and short-term loans from financial institutions		(105,004,295)	(105,076,067)	(103,161,757)	(104,666,233)
Proceeds from short-term loans from a related company		-	-	-	50,000
Proceeds from long-term debentures		2,658,000	1,487,850	2,658,000	1,487,850
Proceeds from long-term loans		8,737,032	17,167,485	8,405,900	17,167,485
Cash repayments for long-term loans		(10,092,799)	(10,717,115)	(10,092,799)	(10,717,115)
Cash payments for finance lease agreements		(1,320)	(15,136)	-	-
Proceeds from ordinary shares issued of subsidiary		-	30	-	-
Dividend paid		(462,510)	(462,386)	(462,495)	(462,356)
Interim dividend paid		(399,995)	(399,946)	(399,995)	(399,946)
Net cash provided by financing activities		<u>2,567,466</u>	<u>5,330,504</u>	<u>8,848,167</u>	<u>12,597,306</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED FEBRUARY 20, 2015

BAHT '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
Net increase in cash and cash equivalents		345,820	237,914	416,715	282,613
Increase (decrease) in exchange differences on translating financial statements of foreign operations		(11,104)	10,266	-	-
Cash and cash equivalents at beginning of the year		2,434,732	2,186,552	1,801,656	1,519,043
Cash and cash equivalents at the end of the year	5.1	<u>2,769,448</u>	<u>2,434,732</u>	<u>2,218,371</u>	<u>1,801,656</u>

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

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED FEBRUARY 20, 2015**

1. OPERATIONS OF THE COMPANY

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

As at February 20, 2015 and 2014, the Company has 118 branches and 100 branches, respectively.

AEON Financial Service Co., Ltd., incorporated in Japan, and ACS Capital Corporation Limited, incorporated in Thailand, are major shareholders with 35.12% and 19.20% shareholdings, respectively. AEON Co., Ltd., incorporate 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 Notes 2.4 and 9.2.

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

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

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

2.2 The consolidated and separate financial statements have been prepared in accordance with Thai Accounting Standard (TAS) No. 1 (Revised 2012) "Presentation of Financial Statements", and the Regulation of The Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544 and the Notification of the Department of Business Development dated September 28, 2011 regarding "The Brief Particulars in the Financial Statement B.E. 2554".

2.3 The consolidated financial statements for the years ended February 20, 2015 and 2014 included the accounts of the Company and its subsidiaries. Significant transactions and balances between the Company and the subsidiaries have been eliminated.

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

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

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

2.4 For the years ended February 20, 2015 and 2014, the subsidiaries included in the consolidated financial statements are as follows:

	Business type	Country of Registration	Registration Date	Percentage of direct and indirect holdings	
				2015	2014
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 business	Myanmar	November 2, 2012	100.00	100.00
AEON Leasing Service (Lao) Company Limited	Retail finance business	Laos	January 11, 2013	98.56 ***	95.00

* 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 Notes 6.5 and 9.2).

** 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 Notes 6.5 and 9.2).

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

The consolidated financial statements for the year ended February 20, 2015 included equity interest in an associated company (see Note 3.2).

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

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

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs), which are effective for the accounting period beginning on or after January 1, 2015 onwards as follows:

Thai Accounting Standards (“TAS”)

TAS 1 (Revised 2014)	Presentation of Financial Statements
TAS 2 (Revised 2014)	Inventories
TAS 7 (Revised 2014)	Statement of Cash Flows
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2014)	Events after the Reporting Period
TAS 11 (Revised 2014)	Construction Contracts
TAS 12 (Revised 2014)	Income Taxes
TAS 16 (Revised 2014)	Property, Plant and Equipment
TAS 17 (Revised 2014)	Leases
TAS 18 (Revised 2014)	Revenue
TAS 19 (Revised 2014)	Employee Benefits
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2014)	Borrowing Costs
TAS 24 (Revised 2014)	Related Party Disclosures
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2014)	Separate Financial Statements
TAS 28 (Revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2014)	Earnings per Share
TAS 34 (Revised 2014)	Interim Financial Reporting
TAS 36 (Revised 2014)	Impairment of Assets
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2014)	Intangible assets
TAS 40 (Revised 2014)	Investment Property

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2014)	Share - Based Payment
TFRS 3 (Revised 2014)	Business Combinations
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (Revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

Thai Accounting Standards Interpretations (“TSI”)

TSI 10 (Revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSI 15 (Revised 2014)	Operating Leases - Incentives
TSI 25 (Revised 2014)	Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders
TSI 27 (Revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSI 29 (Revised 2014)	Disclosure - Service Concession Arrangements
TSI 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSI 32 (Revised 2014)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (“TFRI”)

TFRI 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4 (Revised 2014)	Determining whether an Arrangement contains a Lease
TFRI 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRI 7 (Revised 2014)	Applying the Restatement Approach under TAS 29 (Revised 2014) Financial Reporting in Hyperinflationary Economies
TFRI 10 (Revised 2014)	Interim Financial Reporting and Impairment
TFRI 12 (Revised 2014)	Service Concession Arrangements
TFRI 13 (Revised 2014)	Customer Loyalty Programmes
TFRI 14	TAS 19 (Revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRI 15 (Revised 2014)	Agreements for the Construction of Real Estate
TFRI 17 (Revised 2014)	Distributions of Non-cash Assets to Owners
TFRI 18 (Revised 2014)	Transfers of Assets from Customers
TFRI 20	Stripping Costs in the Production Phase of a Surface Mine

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standard (TFRS), which is effective for the accounting period beginning on or after January 1, 2016 onwards as follow:

Thai Financial Reporting Standard (“TFRS”)

TFRS 4 (Revised 2014)	Insurance Contracts
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The Company and its subsidiaries’ managements will adopt the above TFRSs relevant to the Company and its subsidiaries in the preparation of the Company and its subsidiaries’ financial statements when they become effective.

The Company and its subsidiaries’ managements has assessed the effects of these TFRSs and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied.

3. CHANGES IN ACCOUNTING POLICIES

3.1 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:

Such TFRI has required the Company to recognize and measure the obligation from granting the points to purchase products or get free service in the future at fair value of consideration received or receivable. However, for the year ended February 20, 2014, 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 year ended February 20, 2014, the Company has applied prospectively this accounting treatment in the financial statements for the year ended February 20, 2015.

3.2 Adoption of accounting policy of investment in associate

During the three-month period ended May 20, 2014, AEON Financial Service Corporation Limited, which is a major shareholder, has reorganized the group's reporting structure. Consequently, the Company has significant influence over ACS Trading Vietnam Co., Ltd. since such period. The Company considered the investment in such company as "Investment in associate" in the statement of financial position as at February 20, 2015, which was previously classified as "Long-term investments in related companies" in the statement of financial position as at February 20, 2014, by maintaining 20% shareholding of such company.

Therefore, the Company has applied prospectively the accounting policy of investment in associate for the equity method in the consolidated financial statements for the year ended February 20, 2015.

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

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

4.2 Accounts receivable

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

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

4.3 Allowance for doubtful accounts and bad debts

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

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

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

4.4 Troubled debt restructuring

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

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

4.5 Securitization transactions

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

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

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

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

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

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

4.6 Investments

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

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

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

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

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

4.7 Leasehold improvement and equipment

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

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

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

4.8 Intangible assets

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

4.9 Assets and liabilities in foreign currencies

4.9.1 Functional currency and presentation currency

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

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

4.9.2 Translation of foreign currency transaction

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

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

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

4.9.3 Translation of financial statements of foreign operations

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

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

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

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

4.10 Financial instruments

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

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

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

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

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

4.11 Lease agreements

Finance lease agreements

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

Operating lease agreements

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

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

4.12 Recognition of revenues and expenses

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

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

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

Collection service income is recognized when debt is collected.

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

Other income and expense are recognized on an accrual basis.

4.13 Employee Benefits

4.13.1 Provident Fund

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

4.13.2 Post-employment benefits

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

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

4.14 Deferred revenue from Customer Loyalty Programmes

Customer loyalty programmes are to grant the points whereby customers are awarded credits (Points) entitling customers to the right to redeem 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 redeem. Such obligation is allocated from consideration received or receivable and recorded through "Deferred revenue from 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.

4.15 Income tax expense

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

4.15.1 Current tax

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

4.15.2 Deferred tax

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

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

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

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

4.16 Basic earnings per share

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

4.17 Significant use of accounting judgments and estimations

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

(1) Allowance for doubtful accounts and bad debts

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

(2) Fair value of financial instruments

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

5. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht' 000	Baht' 000	Baht' 000	Baht' 000
Cash	1,079,340	867,109	1,071,275	861,615
Deposits at bank - call deposits	1,677,808	1,567,623	1,147,096	940,041
Fixed deposits with maturity within 3 months from acquisition date	12,300	-	-	-
Cash and cash equivalents	<u>2,769,448</u>	<u>2,434,732</u>	<u>2,218,371</u>	<u>1,801,656</u>

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	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>621,529</u>	<u>447,162</u>	<u>494,958</u>	<u>379,632</u>
	656,017	485,636	529,446	418,106
<u>Less</u> Cash payments for purchase of leasehold improvement and equipment	<u>(647,169)</u>	<u>(451,148)</u>	<u>(520,598)</u>	<u>(383,618)</u>
Liabilities recorded - carried forward	<u>8,848</u>	<u>34,488</u>	<u>8,848</u>	<u>34,488</u>
Intangible assets				
Liabilities recorded - brought forward	11,717	10,234	11,717	10,234
Purchase of intangible assets	<u>372,886</u>	<u>240,675</u>	<u>284,535</u>	<u>221,183</u>
	384,603	250,909	296,252	231,417
<u>Less</u> Cash payments for investment in intangible assets	<u>(367,588)</u>	<u>(239,192)</u>	<u>(279,237)</u>	<u>(219,700)</u>
Liabilities recorded - carried forward	<u>17,015</u>	<u>11,717</u>	<u>17,015</u>	<u>11,717</u>

5.3 During the years ended February 20, 2015 and 2014, the Company had non-cash item relating to sale of the right on credit card receivables as the Company sold additional revolving credit card receivables to subsidiaries during the revolving period or repurchased the right on credit card receivables which was settled by decreasing the Seller Participation Account of Baht 234.48 million and Baht 2,184.39 million, respectively, instead of cash receipt.

5.4 During the three-month period ended May 20, 2014, AEON Financial Service Co., Ltd., which is a major shareholder, has reorganized the group's reporting structure. Consequently, the Company has significant influence over ACS Trading Vietnam Co., Ltd. since such period. The Company considered the investment in such company as "Investment in associate" (see Note 9.2) in the statement of financial position as at February 20, 2015, which was previously classified as "Long-term investments in related companies" in the statement of financial position as at February 20, 2014, by maintaining 20% shareholding of such company amounting to Baht 16.82 million.

6. ACCOUNTS RECEIVABLE

6.1 Accounts receivable as at February 20, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS					
	2015			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	1,014,890	770,022	1,784,912	992,994	610,883	1,603,877
<u>Less</u> Unearned financing income	(177,325)	(59,087)	(236,412)	(186,073)	(66,650)	(252,723)
	837,565	710,935	1,548,500	806,921	544,233	1,351,154
<u>Less</u> Allowance for doubtful accounts	(51,820)	-	(51,820)	(25,743)	(720)	(26,463)
Hire-purchase and accrued interest receivable - net	785,745	710,935	1,496,680	781,178	543,513	1,324,691
Loans receivable						
Loans and accrued interest receivable	34,537,979	483,842	35,021,821	33,341,396	562,451	33,903,847
<u>Less</u> Allowance for doubtful accounts	(1,451,543)	-	(1,451,543)	(1,350,268)	-	(1,350,268)
Loans and accrued interest receivable - net	33,086,436	483,842	33,570,278	31,991,128	562,451	32,553,579
Credit card receivable						
Credit card and accrued interest receivable	22,206,948	-	22,206,948	19,553,174	-	19,553,174
<u>Less</u> Allowance for doubtful accounts	(925,109)	-	(925,109)	(535,377)	-	(535,377)
Credit card and accrued interest receivable - net	21,281,839	-	21,281,839	19,017,797	-	19,017,797
Receivable from rendering the collection service	24,592	-	24,592	5,869	-	5,869
Receivable from insurance broker business	111,708	-	111,708	114,874	-	114,874
Total accounts receivable	55,290,320	1,194,777	56,485,097	51,910,846	1,105,964	53,016,810

SEPARATE FINANCIAL STATEMENTS						
	2015			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	780,141	395,782	1,175,923	801,730	437,102	1,238,832
<u>Less</u> Unearned financing income	(177,325)	(59,087)	(236,412)	(186,073)	(66,650)	(252,723)
	602,816	336,695	939,511	615,657	370,452	986,109
<u>Less</u> Allowance for doubtful accounts	(38,612)	-	(38,612)	(23,873)	-	(23,873)
Hire-purchase and accrued interest receivable - net	564,204	336,695	900,899	591,784	370,452	962,236
Loans receivable						
Loans and accrued interest receivable	34,340,637	427,555	34,768,192	33,309,773	560,550	33,870,323
<u>Less</u> Allowance for doubtful accounts	(1,451,044)	-	(1,451,044)	(1,350,269)	-	(1,350,269)
Loans and accrued interest receivable - net	32,889,593	427,555	33,317,148	31,959,504	560,550	32,520,054
Credit card receivable						
Credit card and accrued interest receivable	22,048,990	-	22,048,990	19,147,246	-	19,147,246
<u>Less</u> Allowance for doubtful accounts	(809,958)	-	(809,958)	(452,818)	-	(452,818)
Credit card and accrued interest receivable - net	21,239,032	-	21,239,032	18,694,428	-	18,694,428
Total accounts receivable	54,692,829	764,250	55,457,079	51,245,716	931,002	52,176,718

6.2 Quality of assets

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015 Baht '000	2014 Baht '000	2015 Baht '000	2014 Baht '000
Less than 3 months	56,921,325	53,294,947	55,866,374	52,454,807
3 months up	1,992,244	1,633,971	1,890,319	1,548,871
Total	58,913,569	54,928,918	57,756,693	54,003,678
<u>Less</u> Allowance for doubtful accounts	(2,428,472)	(1,912,108)	(2,299,614)	(1,826,960)
Total accounts receivable	56,485,097	53,016,810	55,457,079	52,176,718

6.3 Troubled debt restructuring

For the years ended February 20, 2015 and 2014, the Company had recognized interest income on restructured debts totaling Baht 185.36 million and Baht 164.09 million, respectively.

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	2015		2014	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	45,492	1,597,178	39,542	1,198,004
Non-restructured accounts receivable	3,503,237	57,180,091	3,467,985	53,610,171
Total	3,548,729	58,777,269	3,507,527	54,808,175

	SEPARATE FINANCIAL STATEMENTS			
	2015		2014	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	45,492	1,597,178	39,542	1,198,004
Non-restructured accounts receivable	3,293,326	56,159,515	3,285,212	52,805,674
Total	3,338,818	57,756,693	3,324,754	54,003,678

As at February 20, 2015 and 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 as at February 20, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	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	5,015,029	3,842,833	4,745,620	3,765,075
Written-off bad debts	(4,498,665)	(3,550,730)	(4,272,966)	(3,461,455)
Ending balance	2,428,472	1,912,108	2,299,614	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 21)	Baht	2,205,000,000	2,790,000,000	2,960,000,000
Subordinated lendings (see Note 11)	Baht	744,000,000	1,438,000,000	1,399,351,988
Minimum seller loan - pari passu with debentures (see Note 10)	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.

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

	Eternal 4* Baht '000	Eternal 5* Baht '000	Eternal 6* Baht '000
Statements of financial position			
As of February 20, 2015			
Total assets	44	44	4,771,316
Total liabilities	-	-	4,771,272
Total shareholders' equity	44	44	44
As of February 20, 2014			
Total assets	44	44	5,104,571
Total liabilities	-	-	5,104,527
Total shareholders' equity	44	44	44
Statement of income			
For the year ended February 20, 2015			
Total income	-	-	1,059,730
Bad debts and doubtful accounts	-	-	254,380
Other operating expenses	-	-	329,935
Interest expenses	-	-	300,441
Income tax expense	-	-	34,995
Net profit	-	-	139,979
For the year ended February 20, 2014			
Total income	14	189,037	911,788
Bad debts and doubtful accounts (Reversal)	-	(67,802)	142,682
Other operating expenses (Reversal)	(682)	52,399	252,613
Interest expenses	-	56,103	223,859
Income tax expense	162	29,667	58,527
Net profit	534	118,670	234,107

* Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4), Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) and Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6) are the Company's subsidiaries (see Notes 2.4 and 9.2).

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 9.2).

On May 10, 2013, Eternal 5 redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and long-term debentures, and the Company repurchased all outstanding receivables from Eternal 5 which led to the end of the securitization project of Eternal 5 on the same date. As at August 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 5 had passed the resolutions to approve the dissolution and liquidation and Eternal 5 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 5 is under the liquidation process (see Note 9.2).

For the years ended February 20, 2015 and 2014, transactions relating to the transfer of financial assets under the securitization projects are summarized as follows:

	2015	2014
	Million	Million
	Baht	Baht
Transfers of future credit card receivables (at book value)		
- Credit card receivable (Eternal 5)	-	1,132
- Credit card receivable (Eternal 6)	6,644	6,326
	<u>6,644</u>	<u>7,458</u>
Cash collection on behalf of Special Purpose Vehicles		
- Credit card receivable (Eternal 5)	-	1,270
- Credit card receivable (Eternal 6)	7,600	6,837
	<u>7,600</u>	<u>8,107</u>
Servicing income on cash collection from Special Purpose Vehicles		
- Credit card receivable (Eternal 5)	-	45
- Credit card receivable (Eternal 6)	275	211
	<u>275</u>	<u>256</u>

As at February 20, 2015 and 2014, the outstanding receivables sold to Special Purpose Vehicles and managed by the Company classified by aging are as follows:

	2015	2014
	Million	Million
	Baht	Baht
Credit card receivables (included accrued interest income) - Eternal 6		
Less than 3 months	4,430	4,683
3 months up	87	82
	<u>4,517</u>	<u>4,765</u>
<u>Less</u> Allowance for doubtful accounts	(115)	(82)
Total	<u>4,402</u>	<u>4,683</u>

7. OTHER RECEIVABLES

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Other receivable - related parties (see Note 32.2.1)	9,715	638	161,337	203,561
Other receivable - other companies	136,833	209,056	117,193	190,376
Prepaid expenses	59,227	48,367	45,415	35,805
Advance payment	3,938	38,380	674	3,068
Accrued income	-	29,612	-	-
Total	209,713	326,053	324,619	432,810

8. FIXED DEPOSITS AT BANK UNDER OBLIGATION

As at February 20, 2015 and 2014, the 4 subsidiaries have fixed deposits at banks under obligations as follows:

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2015	2014
	Baht '000	Baht '000
Pledge as collateral for Bank's letters of guarantee issued for debt collection service	933	620
Reserve in accordance with insurance regulations	3,000	3,000
Legal reserve of the foreign subsidiaries	18,025	9,796
Total	21,958	13,416

9. INVESTMENTS IN ASSOCIATE, SUBSIDIARIES AND LONG-TERM INVESTMENTS IN RELATED COMPANIES

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

9.1 Investment in associate in the consolidated financial statements

As at February 20, 2015, the Company had investment in the following entity which is associate and accounted for equity method in the consolidated financial statements.

	Business type	Country of Registration	% of Ownership	CONSOLIDATED FINANCIAL STATEMENTS	
				2015	
				Investment (Cost method) Baht '000	Investment (Equity method) Baht '000
Investment in associate					
ACS Trading Vietnam Co., Ltd. (20% ownership of VND 50,000 million, fully paid)	Retail Finance Business	Vietnam	20.00	16,819	37,235
Total investment in associate				16,819	37,235

The summarized financial information of an associated company are as follows:

	As at		For the year ended	
	February 20, 2015		February 20, 2015	
	Total	Total	Total	Net Profit
	Assets	Liabilities	Revenues	
	Baht '000	Baht '000	Baht '000	Baht '000
Associate				
ACS Trading Vietnam Co., Ltd.	1,481,086	1,384,234	412,383	36,934

The consolidated statement of income of the year ended February 20, 2015 recognized share of profit from investment in associate resulting from portion of holding of investment in associate as following:

	CONSOLIDATED FINANCIAL STATEMENTS 2015 Baht '000
Share of profit from investment in associate	
ACS Trading Vietnam Co., Ltd.	20,416

9.2 Investments in associate and subsidiaries in the separate financial statements

As at February 20, 2015 and 2014, the Company had investments in associate and subsidiaries which are accounted for cost method in the separate financial statements as follows:

	SEPARATE FINANCIAL STATEMENTS			
	2015		2014	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Investment in associate and subsidiaries				
Investment in associate (see Note 32.1)				
ACS Trading Vietnam Company Limited	20.00	16,819.3	-	-
Total investment in associate		<u>16,819.3</u>		<u>-</u>
Investments in subsidiaries (see Note 32.1)				
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	176,204.1	100.00	78,889.1
AEON Leasing Service (Lao) Company Limited	91.14	101,286.3	69.00	20,718.2
Total investments in subsidiaries		<u>720,255.0</u>		<u>542,371.9</u>
Total investments in associate and subsidiaries		<u><u>737,074.3</u></u>		<u><u>542,371.9</u></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) redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and long-term debentures, and the Company repurchased all outstanding receivables from Eternal 5 which led to the end of the securitization project of Eternal 5 on the same date. As at August 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 5 had passed the resolutions to approve the dissolution and liquidation and Eternal 5 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 5 is 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 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 subsidiary of the Company, which was incorporated in Myanmar in order to conduct the retail finance business.

During the years ended February 20, 2015 and 2014, the Company paid Baht 97.31 million and Baht 77.76 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 subsidiary of the Company, which was incorporated in Laos in order to conduct the retail finance business.

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.

Subsequently, on September 26, 2014, the Company paid Baht 80.57 million for additional investment for capital increase of AEON Leasing Service (Lao) Company Limited.

- (7) During the three-month period ended May 20, 2014, AEON Financial Service Co., Ltd. which is a major shareholder, has reorganized the group's reporting structure. Consequently, the Company has significant influence over ACS Trading Vietnam Co., Ltd. and still maintains 20% of shareholding in the associated company. Therefore, the Company considers that investment in such company as an investment in associate (see Note 3.2).

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2015		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
		<u>35,217</u>		<u>52,036</u>
<u>Less</u> Allowance for impairment of investment		<u>(8,500)</u>		<u>(8,500)</u>
Total long-term investments in related companies		<u>26,717</u>		<u>43,536</u>

10. SELLER LOAN IN SPECIAL PURPOSE VEHICLE FOR SECURITIZATION

Seller loan in Special Purpose Vehicle for securitization as at February 20, is as follows:

	SEPARATE FINANCIAL STATEMENTS	
	2015 Baht '000	2014 Baht '000
Seller loan in Special Purpose Vehicle for securitization (see Note 32.2.1) Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	<u>232,008</u>	<u>466,490</u>
Total Seller loan in Special Purpose Vehicle for Securitization	<u>232,008</u>	<u>466,490</u>

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.

11. SUBORDINATED LENDINGS

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2015	2014
	Baht '000	Baht '000
Subordinated lendings (see Note 32.2.1)		
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	1,399,352	1,399,352
Total Subordinated lendings	<u>1,399,352</u>	<u>1,399,352</u>

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.

12. LEASEHOLD IMPROVEMENT AND EQUIPMENT

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Cost	3,030,675	2,460,912	2,696,222	2,242,756
Accumulated depreciation	(2,000,898)	(1,743,986)	(1,845,906)	(1,624,859)
Total leasehold improvement and equipment	<u>1,029,777</u>	<u>716,926</u>	<u>850,316</u>	<u>617,897</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance	Additions	Disposals	Transfer	Balance
	as at			in (out)	as at
	February 20,				February 20,
	2014				2015
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Leasehold improvement	627,042	113,772	(18,295)	170,836	893,355
Furniture and office equipment	1,828,759	294,194	(33,471)	-	2,089,482
Assets under installation	5,111	213,563	-	(170,836)	47,838
	<u>2,460,912</u>	<u>621,529</u>	<u>(51,766)</u>	<u>-</u>	<u>3,030,675</u>
Accumulated depreciation					
Leasehold improvement	(359,075)	(107,743)	16,453	-	(450,365)
Furniture and office equipment	(1,384,911)	(195,274)	29,652	-	(1,550,533)
	<u>(1,743,986)</u>	<u>(303,017)</u>	<u>46,105</u>	<u>-</u>	<u>(2,000,898)</u>
Total leasehold improvement and equipment	<u>716,926</u>				<u>1,029,777</u>

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

	SEPARATE FINANCIAL STATEMENTS				
	Balance	Additions	Disposals	Transfer	Balance
	as at			in (out)	as at
	February 20,				February 20,
	2014				2015
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Leasehold improvement	587,363	56,578	(10,763)	170,836	804,014
Furniture and office equipment	1,651,673	223,426	(30,729)	-	1,844,370
Assets under installation	3,720	214,954	-	(170,836)	47,838
	<u>2,242,756</u>	<u>494,958</u>	<u>(41,492)</u>	<u>-</u>	<u>2,696,222</u>
Accumulated depreciation					
Leasehold improvement	(344,957)	(94,028)	8,994	-	(429,991)
Furniture and office equipment	(1,279,902)	(163,051)	27,038	-	(1,415,915)
	<u>(1,624,859)</u>	<u>(257,079)</u>	<u>36,032</u>	<u>-</u>	<u>(1,845,906)</u>
Total leasehold improvement and equipment	<u>617,897</u>				<u>850,316</u>

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Depreciation for the years ended February 20,	<u>303,017</u>	<u>253,033</u>	<u>257,079</u>	<u>225,693</u>

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

	2015	2014
	Baht '000	Baht '000
Consolidated financial statements	<u>1,401,598</u>	<u>1,222,077</u>
Separate financial statements	<u>1,318,535</u>	<u>1,154,592</u>

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

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2015	2014
	Baht '000	Baht '000
Cost	-	61,583
Accumulated depreciation	-	(55,165)
	<u>-</u>	<u>6,418</u>

13. INTANGIBLE ASSETS

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Cost	3,270,089	2,897,203	2,985,903	2,701,368
Accumulated amortization	(2,532,672)	(2,277,045)	(2,372,537)	(2,147,687)
Total intangible assets	737,417	620,158	613,366	553,681

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

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance	Additions	Disposals/	Transfer	Balance
	as at		Write-off	in (out)	as at
	February 20,				February 20,
	2014				2015
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Computer software	2,843,983	156,530	-	52,555	3,053,068
Computer software under installation	53,220	216,356	-	(52,555)	217,021
	<u>2,897,203</u>	<u>372,886</u>	<u>-</u>	<u>-</u>	<u>3,270,089</u>
Accumulated amortization					
Computer software	(2,277,045)	(255,627)	-	-	(2,532,672)
Total intangible assets	<u>620,158</u>				<u>737,417</u>

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance	Additions	Disposals/	Transfer	Balance
	as at		Write-off	in (out)	as at
	February 20,				February 20,
	2013				2014
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Computer software	2,840,719	149,481	(218,375)	72,158	2,843,983
Computer software under installation	34,184	91,194	-	(72,158)	53,220
	<u>2,874,903</u>	<u>240,675</u>	<u>(218,375)</u>	<u>-</u>	<u>2,897,203</u>
Accumulated amortization					
Computer software	(2,167,185)	(291,075)	181,215	-	(2,277,045)
Total intangible assets	<u>707,718</u>				<u>620,158</u>

	SEPARATE FINANCIAL STATEMENTS				Balance as at February 20, 2015 Baht '000
	Balance as at February 20, 2014 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000	
Cost					
Computer software	2,650,010	131,954	-	50,692	2,832,656
Computer software under installation	51,358	152,581	-	(50,692)	153,247
	<u>2,701,368</u>	<u>284,535</u>	<u>-</u>	<u>-</u>	<u>2,985,903</u>
Accumulated amortization					
Computer software	(2,147,687)	(224,850)	-	-	(2,372,537)
Total intangible assets	<u>553,681</u>				<u>613,366</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015 Baht '000	2014 Baht '000	2015 Baht '000	2014 Baht '000
Amortization for the years ended February 20,	<u>255,627</u>	<u>291,075</u>	<u>224,850</u>	<u>260,007</u>

As at February 20, 2015 and 2014, costs of fully amortized computer software still in use are as following:

	2015 Baht '000	2014 Baht '000
Consolidated financial statements	<u>1,890,683</u>	<u>1,539,082</u>
Separate financial statements	<u>1,818,802</u>	<u>1,486,380</u>

As at February 20, 2015 and 2014, copyrights for computer software under financial lease agreements which were included in intangible assets are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2015	2014
	Baht '000	Baht '000
Cost	-	57,547
Accumulated amortization	-	(53,947)
	<u>-</u>	<u>3,600</u>

14. DEFERRED TAX ASSETS

Deferred tax assets as at February 20, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	485,057	381,904	459,923	365,392
Non-accrual of interest income	67,932	57,852	66,403	57,008
Employee benefit obligation	15,243	11,790	14,269	10,710
Others	23,469	15,081	22,889	14,778
	<u>591,701</u>	<u>466,627</u>	<u>563,484</u>	<u>447,888</u>
Deferred tax liabilities				
Finance lease	975	1,743	-	-
Unrealized loss on currency swap contracts	108,719	110,209	108,719	110,209
Others	783	-	-	-
	<u>110,477</u>	<u>111,952</u>	<u>108,719</u>	<u>110,209</u>
Deferred tax assets	<u>481,224</u>	<u>354,675</u>	<u>454,765</u>	<u>337,679</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance As at February 20, 2014	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance As at February 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	381,904	103,153	-	485,057
Non-accrual of interest income	57,852	10,080	-	67,932
Employee benefit obligation	11,790	2,042	1,411	15,243
Others	15,081	8,388	-	23,469
	<u>466,627</u>	<u>123,663</u>	<u>1,411</u>	<u>591,701</u>
Deferred tax liabilities				
Finance lease	1,743	(768)	-	975
Unrealized loss on currency swap contracts	110,209	(1,490)	-	108,719
Others	-	783	-	783
	<u>111,952</u>	<u>(1,475)</u>	<u>-</u>	<u>110,477</u>
Deferred tax assets	<u>354,675</u>	<u>125,138</u>	<u>1,411</u>	<u>481,224</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Balance As at February 20, 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

	Balance As at February 20, 2014	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance As at February 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	365,392	94,531	-	459,923
Non-accrual of interest income	57,008	9,395	-	66,403
Employee benefit obligation	10,710	1,744	1,815	14,269
Others	14,778	8,111	-	22,889
	<u>447,888</u>	<u>113,781</u>	<u>1,815</u>	<u>563,484</u>
Deferred tax liabilities				
Unrealized loss on currency swap contracts	110,209	(1,490)	-	108,719
	<u>110,209</u>	<u>(1,490)</u>	<u>-</u>	<u>108,719</u>
Deferred tax assets	<u>337,679</u>	<u>115,271</u>	<u>1,815</u>	<u>454,765</u>

SEPARATE FINANCIAL STATEMENTS

	Balance As at February 20, 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>

15. OTHER NON-CURRENT ASSETS

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Deposits	154,688	126,173	140,308	116,386
Others	19,082	33,816	19,083	33,810
Total	173,770	159,989	159,391	150,196

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

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	2015		2014	
	Interest rate %	Baht '000	Interest rate %	Baht '000
Overdrafts in THB currency	2.20	1,440,000	2.45	160,000
Short term loans in THB currency	2.10 - 2.33	1,360,000	2.35 - 2.60	1,150,000
Short term loans in USD currency	0.92 - 1.34	355,305	1.00 - 1.20	322,245
Total		3,155,305		1,632,245

	SEPARATE FINANCIAL STATEMENTS			
	2015		2014	
	Interest rate %	Baht '000	Interest rate %	Baht '000
Overdrafts in THB currency	2.20	1,440,000	2.45	160,000
Short term loans in THB currency	2.10 - 2.33	1,360,000	2.35 - 2.60	1,150,000
Total		2,800,000		1,310,000

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.

17. SHORT TERM LOAN FROM RELATED COMPANY

As at February 20, 2015 and 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.

18. OTHER PAYABLES

Other payables as at February 20, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Other payable - related parties (see Note 32.2.1)	62,197	57,831	261,490	216,759
Other payable - other companies	253,727	266,302	208,763	231,897
Deferred revenue from customer loyalty programmes	105,945	65,393	105,945	65,393
Interest payable	546,318	478,147	543,888	475,279
Accrued expenses	329,055	393,587	315,939	382,621
Total	<u>1,297,242</u>	<u>1,261,260</u>	<u>1,436,025</u>	<u>1,371,949</u>

19. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

As at February 20, 2015 and 2014, the Company's subsidiary has liabilities under finance lease agreements as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Minumum		Present value of minimum	
	lease payment		lease payment	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Within 1 year	-	1,320	-	1,305
Over 1 year to 5 years	-	-	-	-
	-	1,320	-	1,305
<u>Less</u> Deferred interest	-	(15)	-	-
	<u>-</u>	<u>1,305</u>	<u>-</u>	<u>1,305</u>

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

20. LONG-TERM LOANS

As at February 20, 2015 and 2014, the Company entered into various long-term loan agreements and issued promissory notes in Baht and foreign currencies as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
2015				
	Due within the year	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Loan in YEN currency	2015 - 2021	4.10 - 5.26	45,220.00	12,531,276
Loan in USD currency	2015 - 2017	2.16 - 4.32	494.00	16,159,189
Loan in THB currency	2015 - 2017	3.65 - 5.00	-	9,650,000
<u>Less</u> Loan issuance cost				(102,643)
				<u>38,237,822</u>
<u>Less</u> Current portion of long-term loans				(10,040,561)
Total long-term loans				<u><u>28,197,261</u></u>

SEPARATE FINANCIAL STATEMENTS				
2015				
	Due within the year	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Loan in YEN currency	2015 - 2021	4.10 - 5.26	45,220.00	12,531,276
Loan in USD currency	2015 - 2017	2.80 - 4.32	484.00	15,828,058
Loan in THB currency	2015 - 2017	3.65 - 5.00	-	9,650,000
<u>Less</u> Loan issuance cost				(102,643)
				<u>37,906,691</u>
<u>Less</u> Current portion of long-term loans				(10,040,561)
Total long-term loans				<u><u>27,866,130</u></u>

In the consolidated and separate financial statements as at February 20, 2015, the Company has long-term loan in Yen currency from a related company which is a bank in Japan amounting to Yen 5,000 million or equivalent to Baht 1,378.09 million with interest rate at 4.16% - 4.84% per annum which are unsecured and will be due in the year 2019 and 2021 (see Note 32.2.1).

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
2014				
	Due within the year	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Loan in YEN currency	2014 - 2020	4.10 - 5.26	40,720.00	13,096,285
Loan in USD currency	2014 - 2017	2.59 - 4.60	590.65	19,331,620
Loan in THB currency	2014 - 2017	3.65 - 5.00	-	9,420,000
<u>Less</u> Loan issuance cost				(133,792)
				<u>41,714,113</u>
<u>Less</u> Current portion of long-term loans				(10,309,600)
Total long-term loans				<u><u>31,404,513</u></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			
As at February 20, 2015			
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 contracts			
Cross Currency Swap Contracts			
USD currency	1,689,185	23,609	85,849
Cross Currency Interest Rate Swap Contracts			
USD currency	12,892,640	310,328	335,908
	<u>14,581,825</u>	<u>333,937</u>	<u>421,757</u>
Payable per currency swap contracts			
Cross Currency Swap Contracts			
YEN currency	945,000	-	(113,646)
Cross Currency Interest Rate Swap Contracts			
YEN currency	14,315,950	(541,568)	(2,074,460)
USD currency	492,750	-	(2,211)
	<u>15,753,700</u>	<u>(541,568)</u>	<u>(2,190,317)</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 contracts			
Cross Currency Swap Contracts			
YEN currency	945,000	-	19,854
USD currency	2,272,235	55,173	110,932
Cross Currency Interest Rate Swap Contracts			
USD currency	15,768,389	505,893	618,997
	<u>18,985,624</u>	<u>561,066</u>	<u>749,783</u>
Payable per currency swap contracts			
Cross Currency Interest Rate Swap Contracts			
YEN currency	13,266,800	(333,201)	(802,168)
	<u>13,266,800</u>	<u>(333,201)</u>	<u>(802,168)</u>

21. LONG-TERM DEBENTURES

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

Issue date	Maturity Date	No. of units	Currency	Par value per unit	Amount	Interest rate %	Term of interest payment	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
								As at February 20, 2015	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	654,052	654,588
14/07/2011	14/07/2016	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.30	Semi-annual	490,539	490,941
16/12/2011	16/12/2016	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.80	Semi-annual	654,052	654,588
30/08/2012	30/08/2017	30	USD	1,000,000	30,000,000	USD-LIBOR 3M	Quarterly	981,078	981,882
13/09/2012	13/09/2017	20	USD	1,000,000	20,000,000	USD-LIBOR 3M + 0.20	Quarterly	654,052	654,588
24/07/2013	29/07/2018	17	USD	1,000,000	17,000,000	USD-LIBOR 6M + 0.01	Semi-annual	555,944	556,400
29/11/2013	29/11/2018	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.05	Semi-annual	981,078	981,882
28/03/2014	28/03/2019	30	USD	1,000,000	30,000,000	USD-LIBOR 6M	Semi-annual	981,078	-
10/07/2014	10/07/2017	1,200,000	THB	1,000	1,200,000,000	4.43	Quarterly	1,200,000	-
26/09/2014	26/09/2017	15	USD	1,000,000	15,000,000	USD-LIBOR 6M	Semi-annual	490,539	-
								7,642,412	4,974,869
<u>Less</u> Debenture issuance cost								(79,400)	(65,190)
								7,563,012	4,909,679
<u>Less</u> Current portion of long-term debentures								(652,646)	-
Long-term debentures								6,910,366	4,909,679

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

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

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

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

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

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

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

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

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

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

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

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

On July 10, 2014, the Company issued and offered debenture amounting to THB 1,200 million to a bank in Thailand with interest rate of 4.43% per annum, payable on a quarterly basis, and will be due on July 10, 2017.

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

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

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 20, 2015				
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 interest rate swap contracts				
Cross Currency Interest Rate Swap Contracts				
USD currency	6,232,900	8,052	201,460	209,512
	<u>6,232,900</u>	<u>8,052</u>	<u>201,460</u>	<u>209,512</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 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 interest rate swap contracts				
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>

- (5) 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 subsidiary's debentures as at February 20, are as follows:

Debenture Classes	Maturity date	Amount Baht' 000	Interest rate %	2015 Baht '000	2014 Baht '000
Eternal 6 Special Purpose Vehicle Co., Ltd.					
ClassA-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 subsidiary's debentures are eliminated against credit card receivables in the consolidated financial statements.

As at February 20, 2015 and 2014, the Company has outstanding letters of credit issued by a bank in Japan for guarantee repayment of the subsidiary's debentures of not exceeding Baht 326.95 million (see Note 36.5).

22. EMPLOYEE BENEFIT OBLIGATIONS

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

For the years ended February 20, 2015 and 2014, amounts recognized in the statements of income in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
Current service cost	13,243	10,453	11,566	9,182
Interest cost	2,521	1,835	2,313	1,687
Actuarial loss	6,960	2,006	9,075	2,102
Total	<u>22,724</u>	<u>14,294</u>	<u>22,954</u>	<u>12,971</u>

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht'000	Baht'000	Baht'000	Baht'000
Beginning balance	58,953	44,659	53,549	40,578
Current service cost	13,243	10,453	11,566	9,182
Interest cost	2,521	1,835	2,313	1,687
Actuarial loss	6,960	2,006	9,075	2,102
Benefits paid	(5,457)	-	(5,157)	-
Ending balance	<u>76,220</u>	<u>58,953</u>	<u>71,346</u>	<u>53,549</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS	
	2015	2014
	% per annum	% per annum
Financial assumptions		
Discount rate	3.09 - 3.67	3.65 - 4.36
Turnover rate		
Monthly staff	0.0 - 27.0	0.0 - 49.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 61.0	0.0 - 55.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees
Temporary staff	0.0 - 64.0	0.0 - 64.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees
Expected rate of salary increase	5.0 - 7.0	5.0 - 8.0

	SEPARATE FINANCIAL STATEMENTS	
	2015	2014
	% per annum	% per annum
Financial assumptions		
Discount rate	3.44 - 3.67	4.32
Turnover rate		
Monthly staff	0.0 - 19.0	0.0 - 20.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 47.0	0.0 - 48.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees
Temporary staff	0.0 - 64.0	0.0 - 64.0
Subject to range of age of employees	Subject to range of age of employees	Subject to range of age of employees
Expected rate of salary increase	5.0	5.0

23. SHAREHOLDERS' EQUITY

- 23.1 At the Annual General Meeting of shareholders held 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.
- 23.2 On September 26, 2013, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the fiscal year 2013 at the rate of Baht 1.60 per share to shareholders, totaling 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.
- 23.3 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.
- 23.4 On September 30, 2014, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the fiscal year 2014 at the rate of Baht 1.60 per share to shareholders, totaling Baht 400 million. The aforementioned shareholders included 2,900 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 399.99 million on October 27, 2014.
- 23.5 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 corporate 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.

24. LEGAL RESERVE

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

As at February 20, 2015 and 2014, the Company's legal reserve equals to 10% of the registered share capital.

25. CAPITAL MANAGEMENT

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

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

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

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

26. OTHER COMPONENTS OF EQUITY

Other components of equity as at February 20, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2015	2014
	Baht '000	Baht '000
Exchange differences on translating financial statements of foreign operations		
Beginning balance	9,954	(312)
Increase (decrease) during the year	(11,073)	10,266
Ending balance	<u>(1,119)</u>	<u>9,954</u>

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

27. REVENUE RELATING TO SECURITIZATION TRANSACTION

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

For the years ended February 20, 2015 and 2014, the details of revenues from securitization transaction consist of the following:

	SEPARATE FINANCIAL STATEMENTS	
	2015 Baht '000	2014 Baht '000
Credit Card Income		
Interest income from subordinated lending	167,922	154,870
Revenue from seller loan in Special Purpose Vehicle	19,151	20,797
Dividend from investment in Special Purpose Vehicle	139,964	352,817
Servicing income	274,879	255,795
Total	<u>601,916</u>	<u>784,279</u>

28. DIRECTORS AND MANAGERMENTS' REMUNERATION

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

For the years ended February 20, 2015 and 2014, directors and managements' remuneration are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015 Baht '000	2014 Baht '000	2015 Baht '000	2014 Baht '000
Short-term employee benefits				
Managements' remuneration	100,622	86,172	62,762	64,239
Directors' remuneration	15,202	17,335	13,000	11,778
Post-employment benefits	2,366	4,253	3,833	3,480
	<u>118,190</u>	<u>107,760</u>	<u>79,595</u>	<u>79,497</u>

For the years ended February 20, 2015 and 2014, 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.

29. PROVIDENT FUND

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

For the years ended February 20, 2015 and 2014, the Company contributed to the provident fund and recorded as expenses, as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS 2015 Baht '000	FINANCIAL STATEMENTS 2014 Baht '000	FINANCIAL STATEMENTS 2015 Baht '000	FINANCIAL STATEMENTS 2014 Baht '000
Contributory provident fund	25,437	20,294	22,278	18,197

30. EXPENSES BY NATURE

Net profits for the years ended February 20, 2015 and 2014 have been derived after deducting the following significant expenses:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS 2015 Baht '000	FINANCIAL STATEMENTS 2014 Baht '000	FINANCIAL STATEMENTS 2015 Baht '000	FINANCIAL STATEMENTS 2014 Baht '000
Staff costs	1,988,682	1,558,076	1,518,033	1,224,884
Directors and management's remuneration	118,190	107,760	79,595	79,497
Marketing expenses	1,310,251	1,446,289	1,232,283	1,375,723
Equipment expenses	582,679	549,780	556,245	535,591
Depreciation and amortization	558,644	544,108	481,929	485,700
Communication expenses	466,522	423,844	411,016	387,210
Premises' expenses	597,922	490,070	541,850	456,404
Outsource collection expenses	154,541	63,603	473,254	356,325
Special business tax and duty stamp	452,657	397,401	422,846	371,484
Bad debts and doubtful accounts	5,015,029	3,842,833	4,745,620	3,765,075
Finance cost	2,358,259	2,060,914	2,234,456	1,953,638

31. CORPORATE INCOME TAX

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

According to the Royal Decree No. 577 B.E. 2557 issued under the Revenue Code regarding the corporate income tax rate reduction effective on November 11, 2014, the corporate income tax rate will be 20% for accounting period beginning on or after January 1, 2015 but not later than December 31, 2015.

The Company and its local subsidiaries used tax rate of 20% for corporate income tax calculation for the years ended February 20, 2015 and 2014. The foreign subsidiaries used 20% - 30% for corporate income tax calculation for the years ended February 20, 2015 and 2014.

The Company and its subsidiaries used tax rate of 20% for calculation of deferred tax for the years ended February 20, 2015 and 2014. The foreign subsidiaries used 20% - 30% for calculation of deferred tax for the years ended February 20, 2015 and 2014.

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

For the years ended February 20, 2015 and 2014, income tax expense consists of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015 Baht '000	2014 Baht '000	2015 Baht '000	2014 Baht '000
Current tax expense for the years	736,290	692,078	644,844	568,841
Deferred income tax revenue	(125,138)	(56,370)	(115,271)	(58,736)
Income tax expense statements of income	<u>611,152</u>	<u>635,708</u>	<u>529,573</u>	<u>510,105</u>

Reconciliations of effective tax rates for the years ended February 20, 2015 and 2014 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2015		2014	
	Amount Baht '000	Rate %	Amount Baht '000	Rate %
Profit before income tax expense	<u>3,027,700</u>		<u>3,137,173</u>	
Income tax at the domestic tax rate	603,289	20.00 - 30.00	630,946	20.00 - 30.00
<u>Add</u> Tax effect of income and expense not exempted for tax purposes	9,399	0.31	5,785	0.18
<u>Less</u> Tax effect of income and expense exempted for tax purposes	(1,536)	(0.05)	(1,023)	(0.03)
Income tax expense per statements of income	<u>611,152</u>	<u>20.19</u>	<u>635,708</u>	<u>20.26</u>

	SEPARATE FINANCIAL STATEMENTS			
	2015		2014	
	Amount Baht '000	Rate %	Amount Baht '000	Rate %
Profit before income tax expense	2,831,773		2,913,005	
Income tax at the domestic tax rate	566,355	20.00	582,601	20.00
<u>Add</u> Tax effect of income and expense not exempted for tax purposes	3,294	0.12	8,056	0.28
<u>Less</u> Tax effect of income and expense exempted for tax purposes	(40,076)	(1.42)	(80,552)	(2.77)
Income tax expense per statements of income	<u>529,573</u>	<u>18.70</u>	<u>510,105</u>	<u>17.51</u>

32. TRANSACTIONS WITH RELATED PARTIES

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

32.1 Investments in associate and subsidiaries (see Note 9.2) as at February 20, 2015 and 2014, are as follows:

Related parties	Relationship	Paid-up Capital Baht '000	% Ownership	SEPARATE FINANCIAL STATEMENTS	
				2015	2014
				Cost Baht '000	Cost Baht '000
Investments in associate and subsidiaries					
Investments in associate					
ACS Trading Vietnam Co., Ltd.	Associate	84,096.3	20.00	16,819.3	-
Total investment in associate				16,819.3	-
Investments in subsidiaries					
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	40.0	26.00	10.4	10.4
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	40.0	26.00	10.4	10.4
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	40.0	26.00	10.4	10.4
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	118,160.0	100.00	118,160.0	118,160.0
AEON Insurance Service (Thailand) Company Limited	Subsidiary	149,224.3	100.00	149,224.3	149,224.3
ACS Servicing (Thailand) Company Limited	Subsidiary	175,349.1	100.00	175,349.1	175,349.1
AEON Microfinance (Myanmar) Company Limited	Subsidiary	176,204.1	100.00	176,204.1	78,889.1
AEON Leasing Service (Lao) Company Limited	Subsidiary	111,402.9	91.14	101,286.3	20,718.2
Total investments in subsidiaries				720,255.0	542,371.9
Total investments in associate and subsidiaries				737,074.3	542,371.9

32.2 Business transactions with related parties

32.2.1 Balances with related parties as at February 20, 2015 and 2014, are as follows:

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
		Baht '000	Baht '000	Baht '000	Baht '000
Other receivables (see Note 7)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	154,527	194,876
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	238	416
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	739	1,561
AEON Financial Service Co., Ltd.	Major shareholder	5,525	344	5,525	344
AEON Credit Service Company Limited	Common ultimate holding company	4	-	4	-
ACS Capital Corporation Limited	Shareholder and one common director	3,994	294	14	294
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	186	-	186	-
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	-	-	98	98
AEON (Thailand) Company Limited	Holding shares and two common directors	6	-	6	-
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	-	5,972
		<u>9,715</u>	<u>638</u>	<u>161,337</u>	<u>203,561</u>
Seller loan in Special Purpose Vehicle for Securitization (see Note 10)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	232,008	466,490
Subordinated lending (see Note 11)					
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 17)					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	50,000	50,000
Long-term loan (see Note 20)					
AEON Bank Ltd.	Common ultimate holding company	1,378,089	-	1,378,089	-
Accounts payable					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	117,120	106,985
Other payables (see Note 18)					
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	-	-	171,354	119,630
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	7,869	8,703
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	31,585	30,507
AEON (Thailand) Company Limited	Holding shares and two common directors	83	32	83	32
AEON Financial Service Co., Ltd.	Major shareholder	39,297	55,146	39,297	55,146
AEON Credit Service Company Limited	Common ultimate holding company	21,313	2,653	9,997	2,653
AEON Credit Service Systems (Philippines) Inc.	Holding shares	287	-	-	-
AEON Bank Ltd.	Common ultimate holding company	1,217	-	1,217	-
		<u>62,197</u>	<u>57,831</u>	<u>261,490</u>	<u>216,759</u>
Deferred Revenue					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	826	-
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	9,643	-
ACS Capital Corporation Limited	Shareholder and one common director	514	-	514	-
		<u>514</u>	<u>-</u>	<u>10,983</u>	<u>-</u>

32.2.2 Transactions with related parties for the year ended February 20, 2015 and 2014, are as follows:

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
		Baht '000	Baht '000	Baht '000	Baht '000
Sale promotion income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	9,538	7,665
Revenue relating to securitization transaction (including in credit card income)					
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	534
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	201,103
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	601,916	582,642
		<u>-</u>	<u>-</u>	<u>601,916</u>	<u>784,279</u>
Other income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	28,334	19,890
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	2,894	3,045
ACS Capital Corporation Limited	Shareholder and one common director	15,159	14,594	15,159	14,594
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	-	-	388	393
AEON (Thailand) Company Limited	Holding shares and two common directors	7	-	7	-
		<u>15,166</u>	<u>14,594</u>	<u>46,782</u>	<u>37,922</u>
Operating and administrative expenses					
Collection service fee					
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	341,882	312,550
Others					
AEON Financial Service Co., Ltd.	Major shareholder	49,475	57,741	49,475	57,741
AEON Credit Service Company Limited	Common ultimate holding company	41,180	-	13,964	-
AEON Bank Ltd.	Common ultimate holding company	1,595	-	1,595	-
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	990	4,746
AEON (Thailand) Company Limited	Holding shares and two common directors	16,765	14,020	16,765	14,020
ACS Capital Corporation Limited	Shareholder and one common director	44,776	26,389	43,578	26,389
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	1,050	-
AEON Credit Service Systems (Philippines) Inc.	Holding shares	43,094	10,592	40,106	10,592
		<u>196,885</u>	<u>108,742</u>	<u>509,405</u>	<u>426,038</u>
Dividend income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	35,000	30,600
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	17,908	14,800
		<u>-</u>	<u>-</u>	<u>52,908</u>	<u>45,400</u>
Dividend paid					
AEON Financial Service Co., Ltd.	Major shareholder	302,910	302,910	302,910	302,910
ACS Capital Corporation Limited	Shareholder and one common director	165,600	165,600	165,600	165,600
		<u>468,510</u>	<u>468,510</u>	<u>468,510</u>	<u>468,510</u>
Purchase of computer software					
AEON Credit Service Systems (Philippines) Inc.	Holding shares	13,232	7,180	13,232	4,859

- Other income for the years ended February 20, 2015 and 2014 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 year ended February 20, 2014, 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 Co., Ltd. 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.

33. LONG-TERM OPERATING LEASE AND SERVICE AGREEMENTS

As at February 20, 2015 and 2014, the Company has long-term operating lease and service agreements with the third parties as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Rental payments			
	2015		2014	
	Within 1 year	Over 1 to 5 years	Within 1 year	Over 1 to 5 years
	Baht '000	Baht '000	Baht '000	Baht '000
Building	232,165	190,000	193,483	190,562
Office equipment	97,170	187,750	109,924	284,017
Vehicle	26,213	11,127	26,181	21,396

SEPARATE FINANCIAL STATEMENTS

Rental payments

	2015		2014	
	Within 1 year	Over 1 to 5 years	Within 1 year	Over 1 to 5 years
	Baht '000	Baht '000	Baht '000	Baht '000
Building	201,103	176,470	157,790	153,243
Office equipment	96,256	187,469	108,601	283,187
Vehicle	21,933	9,915	25,678	20,943

34. 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 classified by business segment as follows:

34.1 Operating result classified by business for the years ended February 20, 2015 and 2014 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				
	2015				
	Retail finance services		Other business	Elimination	Total
	Domestic Baht '000	Foreign Baht '000	Domestic Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	16,510,006	207,118	490,819	-	17,207,943
Inter - segment revenues	-	-	436,680	(436,680)	-
	<u>16,510,006</u>	<u>207,118</u>	<u>927,499</u>	<u>(436,680)</u>	<u>17,207,943</u>
Expenses					
Operating and administrative expenses	6,215,805	163,818	712,280	(382,722)	6,709,181
Directors and managements' remuneration	79,594	25,450	13,146	-	118,190
Bad debts and doubtful accounts	5,000,000	15,029	-	-	5,015,029
Finance cost	2,347,824	11,470	15	(1,050)	2,358,259
Total expenses	<u>13,643,223</u>	<u>215,767</u>	<u>725,441</u>	<u>(383,772)</u>	<u>14,200,659</u>
Share of profit from investment in associate	-	20,416	-	-	20,416
Profit (loss) before income tax expense	2,866,783	11,767	202,058	(52,908)	3,027,700
Income tax expense	564,567	5,792	40,793	-	611,152
Net profit (loss) for the year	<u>2,302,216</u>	<u>5,975</u>	<u>161,265</u>	<u>(52,908)</u>	<u>2,416,548</u>

CONSOLIDATED FINANCIAL STATEMENTS

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

34.2 Financial position classified by business as at February 20, 2015 and 2014 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS

	2015				Total Baht '000
	Retail finance services		Other business	Elimination	
	Domestic	Domestic	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	
Accounts receivable and other receivable	55,669,978	869,657	325,752	(170,577)	56,694,810
Leasehold improvement and equipment and intangible assets	1,463,682	150,032	153,480	-	1,767,194
Other assets	6,197,435	84,743	404,165	(756,273)	5,930,070
Total assets	<u>63,331,095</u>	<u>1,104,432</u>	<u>883,397</u>	<u>(926,850)</u>	<u>64,392,074</u>
Total liabilities	<u>53,130,451</u>	<u>732,558</u>	<u>302,759</u>	<u>(218,514)</u>	<u>53,947,254</u>

	CONSOLIDATED FINANCIAL STATEMENTS				
	2014				
	Retail finance services		Other business	Elimination	Total
	Domestic	Foreign	Domestic		
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
Leasehold improvement and 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>

35. DISCLOSURE OF INFORMATION RELATING TO FINANCIAL INSTRUMENTS

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

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

35.1 Accounting policies

Details of significant accounting policies are disclosed in Note 4.

35.2 Credit risk

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

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

35.3 Interest rate risk

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

The Company did not anticipate any interest rate fluctuation risk which may have a material effect on the result of operations as all of the loans carrying floating interest rates have been hedged. Details of interest rate swap agreements and cross currency interest rate swap agreements are disclosed in Notes 20 and 21.

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

35.4 Foreign exchange risk

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

In addition, in order to manage risk from fluctuation in currency and interest rate, the Company has entered into various cross currency interest rate swap contracts to hedge its long-term debts as disclosed in Notes 20 and 21.

35.5 Estimated fair value of financial instruments

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

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

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

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

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

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
As at February 20, 2015		As at February 20, 2014	
Carrying value	Fair value	Carrying value	Fair value
Baht '000	Baht '000	Baht '000	Baht '000
Long-term loans bearing fixed interest rate	12,279,997	12,168,755	12,453,194
Long-term loans bearing floating interest rate	25,729,337	24,497,203	29,394,711
Long-term debentures bearing fixed interest rate	1,200,000	1,200,000	-
Long-term debentures bearing floating interest rate	6,442,412	6,038,002	4,974,869
			4,655,048

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
As at February 20, 2015			
	Carrying amount	Total	Fair value
	Less than 1 year	1 - 5 years	Gain (Loss)
	Baht '000	Baht '000	Baht '000
Receivable per currency swap contracts			
Cross Currency Swap Contracts	23,609	85,849	109,458
Cross Currency Interest Rate Swap Contracts	318,380	537,368	855,748
	<u>341,989</u>	<u>623,217</u>	<u>965,206</u>
			<u>238,062</u>
Payable per currency swap contracts			
Cross Currency Swap Contracts	-	(113,646)	(113,646)
Cross Currency Interest Rate Swap Contracts	(541,568)	(2,076,671)	(2,618,239)
	<u>(541,568)</u>	<u>(2,190,317)</u>	<u>(2,731,885)</u>
			<u>(3,752,528)</u>
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
As at February 20, 2014			
	Carrying amount	Total	Fair value
	Less than 1 year	1 - 5 years	Gain (Loss)
	Baht '000	Baht '000	Baht '000
Receivable per currency swap contracts			
Cross Currency Swap Contracts	55,173	130,786	185,959
Cross Currency Interest Rate Swap Contracts	505,893	818,966	1,324,859
	<u>561,066</u>	<u>949,752</u>	<u>1,510,818</u>
			<u>815,127</u>
Payable per currency swap contracts			
Cross Currency Interest Rate Swap Contracts	(333,201)	(802,168)	(1,135,369)
	<u>(333,201)</u>	<u>(802,168)</u>	<u>(1,135,369)</u>
			<u>(1,762,408)</u>

36. CREDIT FACILITIES AND LETTER OF GUARANTEE

- 36.1 As at February 20, 2015 and 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.
- 36.2 As at February 20, 2015 and 2014, the Company has unused overdraft facilities with various banks totaling Baht 655.10 million and Baht 935.10 million, respectively. Such overdraft facilities are unsecured.
- 36.3 As at February 20, 2015 and 2014, the Company has bank's letter of guarantees issued to suppliers for guarantee payment of Baht 0.50 million and Baht 0.30 million. Such letter of guarantees are unsecured.
- 36.4 As at February 20, 2015 and 2014, two subsidiaries have letters of guarantee issued by banks in the amounts of Baht 3.93 million and Baht 3.62 million, respectively.
- 36.5 As at February 20, 2015 and 2014, the Company has outstanding letters of credit issued by a bank in Japan for guarantee repayment of a subsidiary's debentures of not exceeding Baht 326.95 million (see Note 21).

37. SIGNIFICANT AGREEMENTS

- 37.1 Significant agreements relating to securitization transactions
 - (1) The Company entered into the Receivables Sale and Purchase Agreements with Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6) ("the subsidiary"), on May 14, 2013. Such agreement set out the procedures and terms in respect of the sale and purchase of the Initial Receivables on the Closing Date, for Future Receivables on each Purchase Date and for Additional Receivables on each Monthly Purchase Date including the rights, obligations and responsibilities of both parties. The Receivables Sale and Purchase Agreement also set out the terms and conditions in respect of the resale and repurchase of the Ineligible Receivables and Defaulted Receivables.
 - (2) The Company entered into the Servicing Agreements with Eternal 6 ("the subsidiary") on May 14, 2013. Based on such agreement, the subsidiary appointed the Company (as a transferor and servicer) to provide certain administration services (including record keeping and producing written reports relating to the Collections), to act as the collection agent and other services for credit card receivables in relation to the Purchased Receivables. In addition, the Servicing Agreement also set out other relevant terms, such as the scope of the services, the payment of service fees, the termination of the appointment of the Servicer and the Back-up Servicer appointment of the substitute servicer.

- 37.2 Memorandum of understanding regarding the cooperation between the Company and BTS Group under the co-branded rabbit program, securitization project, setting up of a special purpose vehicle for securitization

On February 2, 2015, the Company entered into a memorandum of understanding regarding the cooperation between the Company and BTS Group Holdings Public Company Limited (“BTSG”) and Bangkok Smartcard System Company Limited (“BSS”) (a subsidiary of BTSG), for the joint issue of member card under the Co-Branded Rabbit Program and setting up a special purpose vehicle for the securitization project, the purpose of securitization through the establishment of a special purpose vehicle in a form of cooperation framework between the Company and BSS Holdings Company Limited (“BSS Holdings”) (a subsidiary of BTSG), in accordance with the resolution passed at the meeting of the Board of Directors No. 10/2014, held on December 24, 2014.

38. SALE OF WRITTEN-OFF ACCOUNTS RECEIVABLE

- 38.1 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 receivables 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 installments of Baht 120.33 million per each, on September 20, 2014, October 20, 2014 and the delivery date, respectively.
- 38.2 On September 30, 2014, the Company sold written-off accounts receivable under loan agreements and credit card agreements by a bidding process to a local company (the “buyer”) with the purchase price of Baht 128.19 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 and credit card agreements. As at September 30, 2014, the closing date as specified in the agreement, the Company received the initial payment of Baht 32.05 million from the purchaser. The purchaser agrees to pay the remaining amount of purchase price amounting to Baht 96.14 million in three installments of Baht 32.05 million per each, on October 30, 2014, November 30, 2014 and the delivery date, respectively.

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. 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.

During the year ended February 20, 2015, the Company has already received cash proceeds of the remaining balance as specified in the agreements. Accordingly, the Company recognized income from sale of written-off accounts receivable after claim for damages from sales of loans receivable totaling Baht 605.99 million in the consolidated and separate statements of income for the year ended February 20, 2015.

39. EVENTS AFTER THE REPORTING PERIOD

39.1 On March 16, 2015, the Company has paid for the capital injection to AEON Microfinance (Myanmar) Company Limited, which is a subsidiary of the Company, amounting to USD 1,000,000 or approximately Baht 32,925,000 according to the consideration and approval of capital injection to AEON Microfinance (Myanmar) Company Limited from Board of Directors Meeting on March 12, 2015. The Company still maintains 100% of shareholding in the subsidiary.

39.2 On March 20, 2015, ATS Rabbit Special Purpose Vehicle Company Limited, has registered as a special purpose company under the Civil and Commercial Code of Thailand with a registered capital of Baht 40,000, consisting of 2 preferred shares with a par value of Baht 100 per share and 398 ordinary shares with a par value of Baht 100 per share. The main objective of the special purpose company is to operate as a special purpose juristic person in securitization project and to engage in any activities for the purpose of implementing or facilitating the securitization (see Note 37.2). The Company is in the process of preparing the application for approval of the securitization program from the Office of the Securities and Exchange Commission of Thailand (“the SEC”).

40. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issuing by the Company’s authorized director and the Audit Committee on April 8, 2015.

(Translation)

No.04/2015

April 20, 2015

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 3/2015

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby report the resolutions passed at the meeting of the Board of Directors No. 3/2015, held on April 20, 2015 from 14:10 p.m. as follows:

1. Unanimously approved and declaration of final dividend payment for the fiscal year ended February 20, 2015. The final dividends will be paid at Baht 1.85 per share to the shareholders on June 25, 2015. The right to receive dividend, it has to be approved at shareholders meeting on June 12, 2015.

This dividend is paid in addition to the interim dividend already paid at the rate of Baht 1.60 per share on October 27, 2014. The total dividends for the fiscal year ended February 20, 2015 is Baht 3.45 per share or 35.68% payout ratio. The company has set the record date on May 7, 2015 to determine the shareholders entitled to receive dividends, and setting the shareholder register book closing date on May 8, 2015, to compile the shareholder list pursuant to section 225 of the Securities and Exchange Act.

2. Approved the change of accounting period of the Company from starting on 21 February and ending on 20 February of the following year, to be starting from 1 March and ending on the last day of February of the following year. In order to achieve greater efficiency in various aspects of management and business operation and to conform with the end of monthly tax period.
3. Approved regarding the change of accounting period and the amendment to Clause 37 of the Articles of Association of the Company to read as follows:

"Article 37: The accounting period of the Company starting from 1 March and ending on the last day of February of the following year."

And proposed the matter to the general meeting of shareholders of the Company for consideration and approval.

4. Approved the appointment of directors for the replacement of the directors who vacated office by rotation and appointment of directors for the replacement at the Annual General Meeting of the Shareholders 2015, there will be 4 directors who are due to retire upon completion of their term of office, namely:

1. Ms. Kannika Kursirikul
2. Mrs. Jiraporn Kongcharoenwanich
3. Mr. Taketo Ando
4. Mr. Dej Bulsuk,

Approved to propose of re-appointment of Ms. Kannika Kursirikul, Mrs. Jiraporn Kongcharoenwanich and Mr. Dej Bulsuk, whose term will be due on the date of the Annual General Meeting of Shareholders 2015 to be the Company's Directors for another term and acknowledged the resignation of Mr. Taketo Ando due to his additional engagement and proposed to appoint Mr. Kunio Kawamura as a new director of the Company to replace Mr. Taketo Ando which will be effective after the date of Annual General Meeting of the Shareholders 2015 onward.

The meeting also approved the determination of the directors' remuneration for the fiscal year ended February 20, 2016 to be not more than Baht 20,000,000.

5. Unanimously approved the appointment of three auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to be the Company's auditors for the auditing fee for the year ended February 20, 2016 will be Baht 5,350,000 and for the period from February 21, 2016 to February 29, 2016 will be Baht 300,000. The Company's auditors are as follows:

- | | |
|---------------------------------|-------------------------|
| 1. Dr. Suphamit Techamontrikul | CPA (Thailand) No. 3356 |
| 2. Mr. Permsak Wongpatcharakorn | CPA (Thailand) No. 3427 |
| 3. Mr. Chavala Tienpasertkij | CPA (Thailand) No. 4301 |

6. Approved the re-appointment of Mr. Noppun Muangkote, Mr. Dej Bulsuk and Mr. Shunichi Kobayashi as the Audit Committee Members for the fiscal year ended February 20, 2016.

7. Approved the cancellation of an increase registered capital in Company's subsidiary, AEON Microfinance (Cambodia) Co., Ltd. , therefore, it is considered the execution of a connected transaction between AEON Thana Sinsap (Thailand) Plc. with AEON Financial Service Co., Ltd. Total transaction is not more than 2.20 million USD. And approved the cancellation of the related transactions with the related companies. (As the resolution of Board of Directors No. 8/2014 held on August 22, 2014, which approved an additional investment in Company's subsidiary The Company has informed to Stock Exchange of Thailand on August 22, 2014.)

8. Unanimously approved an increase registered capital in Company's subsidiary, AEON Microfinance (Cambodia) Co., Ltd. with the capital registered of 6.0 million USD, subscribed by AEON Thana Sinsap (Thailand) Plc. (AEONTS) of 4.0 million USD and AEON Financial Service Co., Ltd. (AFS) of 2.0 million USD. After the capital injection, AMFC registered capital to be 10.0 million USD, by AEONTS holds 80% and AFS holds 20% accordingly.

Before the capital injection AMFC has resolved to pay the dividend to the AEONTS. Dividend per Share and Dividend Amount are 0.2149 USD or amounted 859,600 USD respectively.

The capital increases by the price not lower than the par value of 1.00 USD. AEON Thana Sinsap (Thailand) Plc. will pay at par value of USD1 per share, amounted to 4.0 million USD or approximately 129.92 million baht and AEON Financial Service Co., Ltd. will pay at book value of USD1.00 per share, amounted is not more than to 2.0 million USD or approximately 64.96 million baht (Details as an attachment of related transaction). AEON Financial Service Co., Ltd. is the major shareholders, therefore, it is considered the execution of a connected transaction with the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003).

AEON Microfinance (Cambodia) Co., Ltd., a retail finance business in Cambodia established in October 2011, is now under the process of business expansion in high potential market. At present, AEON Microfinance (Cambodia) Co., Ltd., has a registered of 4.0 million USD, and will increase its registered capital to be 10.0 million USD. AEON Financial Service Co., Ltd. has retail banking and credit card business in Japan, a partial contribution from AEON Financial Service Co., Ltd. will enhance credit card business and retail finance in Cambodia.

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

10. Unanimously approved the schedule of the Annual General Meeting of Shareholders for the year 2015 to be held on June 12, 2015 at 10.00 am at the Grand Ballroom of Grand Millennium Sukhumvit Bangkok. The meeting agenda are as follows:

1. To adopt the Minutes of the Annual General Meeting of Shareholders for the year 2014;
2. To acknowledge the annual report, the Company's operating results and approve the audited financial statements for the fiscal year ended February 20, 2015;
3. To acknowledge the payment of interim dividend and approve allocation of profit and declaration of final dividend payment for the fiscal year ended February 20, 2015;
4. To appoint auditor and determine audit fee;
5. To approve changing of the accounting period and amendment of Article 37 of the Articles of Association of the Company;
6. To elect directors to replace those retiring by rotation or resignation and appointment of a new director;
7. To approve remuneration of directors;
8. Other businesses (if any).

The Board of Director meeting also approved the record date on May 7, 2015 to determine the shareholders who have the right to attend the Annual General Meeting and set the shareholder register book closing date and suspending shares transfer on May 8, 2015 to compile the shareholder list pursuant to Section 225 of the Securities and Exchange Act.

Please be informed accordingly

Yours sincerely,

Yasuhiko Kondo
Managing Director

Disclosure of Connected transactions

The Board of Director's meeting of AEON Thana Sinsap (Thailand) Plc. No. 3/2015 held on April 20, 2015 had a resolution of the connected transaction with AEON Financial Service Co., Ltd "AFS" which is the major shareholder of AEONTS details as follows:

Date of agreement

June 2015

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

Company	Business	Relationship with AEONTS
1). AEON Financial Service Co., Ltd. ("AFS")	Finance	-Major shareholder of AEONTS, holding 35.12% of AEONTS's shares
2). AEON Microfinance (Cambodia) Co., Ltd.,	Finance	-A 100% subsidiary company of AEONTS

General characteristics of transactions

AEON Microfinance (Cambodia) Co., Ltd. receives the capital injection for the amount of 6.0 million USD, subscribed by AEON Thana Sinsap (Thailand) Plc. of 4.0 million USD and AEON Financial Service Co., Ltd. of 2.0 million USD. The subscription price shall be fair for both AEONTS and AFS accordingly and capital injection will be used for expansion of credit card business in the future.

Shareholders	Pre-Transaction		Post-Transaction	
	No. of Share	% of shareholding	No. of Share	% of shareholding
AEONTS	4,000,000	100%	8,000,000	80%
AFS	0	0%	2,000,000	20%
Total	4,000,000	100%	10,000,000	100%

Financial Highlight

UNIT : 000'USD	FY2013 (Audited)	FY2014 (Audited)
REVENUES	2,368.5	5,328.3
EXPENSES	1,780.9	4,279.7
NET PROFIT	553.1	874.7
ASSETS	14,060.2	26,447.8
LIABILITIES	10,075.2	21,588.1
SHAREHOLDERS' EQUITY	3,985.0	4,859.7
PAR VALUE	1 USD	1 USD
BOOK VALUE	0.99 USD	*1.00 USD

* After pay the dividend to AEONTS and shareholders' equity of 4,000,000 USD.

Total Value and Basis for Calculation of the Total Transaction Value

- Total Value of Consideration

AEON Financial Service Co., Ltd. will invest 2 million shares in AEON Microfinance (Cambodia) Co., Ltd at the price of USD1.00 per share.

Unit : USD

Related company name	Amount
AFS	≤2,000,000
Total	≤2,000,000

- Basis for Calculation of the Total Transaction Value

The price of shares in AEON Microfinance (Cambodia) Co., Ltd. which is fixed at USD 1.00 per share, amounted is not more than to 2.0 million USD or approximately 64.96 million baht (value in Baht equivalent @Baht 32.48 = USD 1)

Name, position and shareholding proportion of the connected persons

Related company name	Paid Up Capital No. of shares	Name of connected persons	Share (s) in related company	% of share in AEONTS
AFS	29,051,000,000 JPY* 206,541,751 shares	- Mr. Hideki Wakabayashi	-	-

* As of 20th February, 2015

The measurement of total transactions

By measurement in percentage of the Company Net Tangible Assets (NTA), total transaction is not more than 64.96 million baht (2.00 million USD, 1 USD = 32.48 THB) or 0.75% which more than 0.03% but less than 3% of NTA of the Company. So this transaction is the connected transaction pursuant to the Notifications which shall be approved by Audit Committee and Board of Director as well as disclose to the Stock Exchange of Thailand.

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

- Board of Directors' meeting No. 01/2015 held on 12th March, 2015, approved the connected transaction with AEON Thana Sinsap (Thailand) Plc. ("AEONTS") AEON Financial Service Co., Ltd. ("AFS") AEON Capital Corporation Limited ("ACS Capital") AEON Credit Service Systems ("AEON Systems") by measurement in percentage of the Company Net Tangible Assets (NTA), total transaction is 99.94 million baht or 1.16%.

So the total connected transaction approved by the Board of Directors' meeting in the last six months period including this time was 164.90 million baht or 1.91% which more than 0.03% of the Company NTA but less than 3% of NTA of the Company.

Opinion of the Audit Committee

The Audit Committee agreed the transactions about the new of shareholders structures of AMFC as necessary because the investment from AFS Japan is a condition of approval the specialized bank license for AMFC in Cambodia and agreed on the new structures of shareholders. Audit Committee also had the opinion about the price is fair and reasonable for the company.

Opinion of the Board of Director

The Board of Directors opinion is not different from the audit committee's opinion.