

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

**TO THE BOARD OF DIRECTORS**

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED**

We have reviewed the consolidated statement of financial position of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate statement of financial position of AEON Thana Sinsap (Thailand) Public Company Limited as at May 20, 2015 and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

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

**Conclusion**

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

**BANGKOK**  
June 24, 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 MAY 20, 2015**

**BAHT '000**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at May 20, 2015	As at February 20, 2015	As at May 20, 2015	As at February 20, 2015
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5.1	2,365,846	2,769,448	1,810,785	2,218,371
Accounts receivable and other receivables					
Accounts receivable	6	56,105,526	55,290,320	55,270,869	54,692,829
Other receivables		277,549	209,713	610,312	324,619
Receivables per currency swap contracts	13 and 14	528,640	341,989	528,640	341,989
Other current assets		99,403	55,160	39,029	38,787
<b>Total Current Assets</b>		<b>59,376,964</b>	<b>58,666,630</b>	<b>58,259,635</b>	<b>57,616,595</b>
<b>NON-CURRENT ASSETS</b>					
Accounts receivable	6	1,188,717	1,194,777	705,832	764,250
Fixed deposits at banks under obligations		21,602	21,958	-	-
Investments in associates	7.1 and 7.2	38,777	37,235	16,839	16,819
Investments in subsidiaries	7.2	-	-	753,180	720,255
Other long-term investments					
Related companies	7.3	26,717	26,717	26,717	26,717
Seller loan in Special Purpose Vehicle for Securitization	8	-	-	413,491	232,008
Subordinated lendings	9	1,399,352	1,399,352	1,399,352	1,399,352
Leasehold improvement and equipment		967,756	1,029,777	712,913	850,316
Intangible assets		740,793	737,417	598,417	613,366
Receivables per currency swap contracts	13 and 14	805,617	623,217	805,617	623,217
Deferred tax assets	10	468,624	481,224	442,504	454,765
Other non-current assets		173,606	173,770	158,517	159,391
<b>Total Non-Current Assets</b>		<b>5,831,561</b>	<b>5,725,444</b>	<b>6,033,379</b>	<b>5,860,456</b>
<b>TOTAL ASSETS</b>		<b>65,208,525</b>	<b>64,392,074</b>	<b>64,293,014</b>	<b>63,477,051</b>

See condensed notes to the financial statements

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

**BAHT '000**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		May 20,	February 20,	May 20,	February 20,
		2015	2015	2015	2015
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term loans from financial institutions	11	1,989,577	3,155,305	1,570,000	2,800,000
Short-term loan from a related company	12	-	-	50,000	50,000
Accounts payable and other payables					
Accounts payable		460,821	495,555	359,505	362,421
Other payables		1,253,936	1,297,242	1,436,569	1,436,025
Current portion of :					
Long-term loans	13	8,584,290	10,040,561	8,584,290	10,040,561
Long-term debentures	14	670,021	652,646	670,021	652,646
Accrued income tax		412,167	314,468	370,682	282,910
Payables per currency swap contracts	13	519,856	541,568	519,856	541,568
Other current liabilities		126,481	75,231	74,637	61,234
<b>Total Current Liabilities</b>		<b>14,017,149</b>	<b>16,572,576</b>	<b>13,635,560</b>	<b>16,227,365</b>
<b>NON-CURRENT LIABILITIES</b>					
Long-term loans	13	30,454,852	28,197,261	30,127,825	27,866,130
Long-term debentures	14	7,680,824	6,910,366	7,680,824	6,910,366
Payables per currency swap contracts	13	2,014,241	2,190,317	2,014,241	2,190,317
Employee benefit obligations	15	80,226	76,220	56,921	71,346
Other non-current liabilities		480	514	10,270	10,983
<b>Total Non-Current Liabilities</b>		<b>40,230,623</b>	<b>37,374,678</b>	<b>39,890,081</b>	<b>37,049,142</b>
<b>TOTAL LIABILITIES</b>		<b>54,247,772</b>	<b>53,947,254</b>	<b>53,525,641</b>	<b>53,276,507</b>

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

**BAHT '000**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		May 20,	February 20,	May 20,	February 20,
		2015	2015	2015	2015
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
(CONTINUED)					
SHAREHOLDERS' EQUITY	16				
SHARE CAPITAL					
Authorized share capital					
250,000,000 ordinary shares of Baht 1 each		250,000	250,000	250,000	250,000
Issued and paid-up share capital					
250,000,000 ordinary shares of Baht 1 each, fully paid		250,000	250,000	250,000	250,000
PREMIUM ON ORDINARY SHARE CAPITAL		478,000	478,000	478,000	478,000
RETAINED EARNINGS					
Appropriated					
Legal reserve		25,000	25,000	25,000	25,000
Reserve for business expansion		4,850,000	4,850,000	4,850,000	4,850,000
Unappropriated		5,365,812	4,842,294	5,164,373	4,597,544
OTHER COMPONENTS OF EQUITY					
Exchange differences on translating financial statements of foreign operations		(8,566)	(1,119)	-	-
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		10,960,246	10,444,175	10,767,373	10,200,544
NON-CONTROLLING INTERESTS		507	645	-	-
TOTAL SHAREHOLDERS' EQUITY		10,960,753	10,444,820	10,767,373	10,200,544
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>65,208,525</b>	<b>64,392,074</b>	<b>64,293,014</b>	<b>63,477,051</b>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE THREE-MONTH PERIOD ENDED MAY 20, 2015**  
**“UNAUDITED”**

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
<b>REVENUES</b>					
Credit card income	17	1,586,410	1,465,612	1,485,376	1,358,192
Loan income		2,117,751	2,078,942	2,099,585	2,077,631
Hire purchase income		103,741	95,637	56,101	61,216
Other income					
Bad debt recovery		134,820	144,344	131,686	143,744
Collection service income		52,372	61,160	4,737	6,787
Commission income		116,310	59,079	-	-
Gain (loss) on sale of leasehold improvement and equipment and intangible assets		(172)	234	670	234
Dividend income		-	-	90,708	52,908
Others		77,023	55,161	38,870	28,489
Total other income		380,353	319,978	266,671	232,162
Total Revenues		4,188,255	3,960,169	3,907,733	3,729,201
<b>EXPENSES</b>					
Operating and administrative expenses		1,773,249	1,589,041	1,571,272	1,466,806
Directors and managements' remuneration	18	31,991	27,432	19,893	18,142
Bad debts and doubtful accounts		1,154,998	1,046,312	1,100,328	987,053
Finance costs		574,106	561,439	542,635	532,270
Total Expenses		3,534,344	3,224,224	3,234,128	3,004,271
Share of profit from investments in associates		1,523	-	-	-
INCOME BEFORE INCOME TAX EXPENSE		655,434	735,945	673,605	724,930
INCOME TAX EXPENSE	19	132,015	149,846	106,776	126,090
<b>NET PROFIT FOR THE PERIOD</b>		<b>523,419</b>	<b>586,099</b>	<b>566,829</b>	<b>598,840</b>
<b>NET PROFIT ATTRIBUTABLE TO :</b>					
Owners of the parent		523,518	586,482	566,829	598,840
Non-controlling interests		(99)	(383)	-	-
		523,419	586,099	566,829	598,840
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	2.09	2.35	2.27	2.40
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES</b>	<b>SHARES</b>	250,000,000	250,000,000	250,000,000	250,000,000

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED MAY 20, 2015**  
**“UNAUDITED”**

	<b>BAHT '000</b>			
	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Net profit for the period	523,419	586,099	566,829	598,840
Other comprehensive loss, net of income tax				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translating				
financial statements of foreign operations				
- Owners of the parent	(7,447)	(3,569)	-	-
- Non-controlling interests	(24)	(20)	-	-
Other comprehensive loss for the period, net of income tax	<u>(7,471)</u>	<u>(3,589)</u>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>515,948</u></b>	<b><u>582,510</u></b>	<b><u>566,829</u></b>	<b><u>598,840</u></b>
<b>TOTAL COMPREHENSIVE INCOME</b>				
<b>ATTRIBUTABLE TO :</b>				
Owners of the parent	516,071	582,913	566,829	598,840
Non-controlling interests	(123)	(403)	-	-
	<u>515,948</u>	<u>582,510</u>	<u>566,829</u>	<u>598,840</u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE THREE-MONTH PERIOD ENDED MAY 20, 2015  
 "UNAUDITED"

BAHT '000

	CONSOLIDATED FINANCIAL STATEMENTS							Non- controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Owners of the parent Retained earnings		Other components of equity Exchange differences on translating financial statements of foreign operations	Total owners of the parent			
			Appropriated Legal reserve	Unappropriated Reserve for business expansion					
<b>Beginning balance, as at February 21, 2014</b>	250,000	478,000	25,000	4,850,000	3,292,818	9,954	8,905,772	1,677	8,907,449
Changes during the period									
Dividend paid	-	-	-	-	-	-	-	(15)	(15)
Net profit (loss) for the period	-	-	-	-	586,482	-	586,482	(383)	586,099
Other comprehensive loss	-	-	-	-	-	(3,569)	(3,569)	(20)	(3,589)
<b>Ending balance, as at May 20, 2014</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>3,879,300</u>	<u>6,385</u>	<u>9,488,685</u>	<u>1,259</u>	<u>9,489,944</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED MAY 20, 2015  
“UNAUDITED”

BAHT '000

	CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)						Total owners of the parent	Non- controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Owners of the parent Retained earnings		Unappropriated	Other components of equity Exchange differences on translating financial statements of foreign operations			
			Appropriated Legal reserve	Reserve for business expansion					
<b>Beginning balance, as at February 21, 2015</b>	250,000	478,000	25,000	4,850,000	4,842,294	(1,119)	10,444,175	645	10,444,820
Changes during the period									
Dividend paid	-	-	-	-	-	-	-	(15)	(15)
Net profit (loss) for the period	-	-	-	-	523,518	-	523,518	(99)	523,419
Other comprehensive loss	-	-	-	-	-	(7,447)	(7,447)	(24)	(7,471)
<b>Ending balance, as at May 20, 2015</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>5,365,812</u>	<u>(8,566)</u>	<u>10,960,246</u>	<u>507</u>	<u>10,960,753</u>

See condensed notes to the financial statements



AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED MAY 20, 2015  
“UNAUDITED”

BAHT '000

	SEPARATE FINANCIAL STATEMENTS				Total shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings Appropriated Legal reserve	Reserve for business expansion Unappropriated		
<b>Beginning balance, as at February 21, 2014</b>	250,000	478,000	25,000	4,850,000	3,165,094	8,768,094
Changes during the period						
Net profit for the period	-	-	-	-	598,840	598,840
<b>Ending balance, as at May 20, 2014</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>3,763,934</u>	<u>9,366,934</u>
<b>Beginning balance, as at February 21, 2015</b>	250,000	478,000	25,000	4,850,000	4,597,544	10,200,544
Changes during the period						
Net profit for the period	-	-	-	-	566,829	566,829
<b>Ending balance, as at May 20, 2015</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>5,164,373</u>	<u>10,767,373</u>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED MAY 20, 2015**  
**“UNAUDITED”**

**BAHT '000**

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before income tax expense		655,434	735,945	673,605	724,930
Adjustments for:					
Shares of profit from investments in associates		(1,523)	-	-	-
Bad debts and doubtful accounts		1,154,998	1,046,312	1,100,328	987,053
Depreciation		79,881	68,097	66,389	59,651
Amortization of intangible assets		57,710	63,614	50,848	56,209
Employee benefit expense		4,955	3,955	4,381	3,469
(Gain) loss on sale of leasehold improvement and equipment		172	(234)	165	(234)
Gain on sale of intangible assets		-	-	(835)	-
Loss on written-off of leasehold improvement and equipment		426	-	-	-
Interest income		(2,243,194)	(2,048,541)	(2,029,004)	(1,835,164)
Dividend income		-	-	(90,707)	(52,908)
Finance costs		574,106	561,439	542,635	532,270
		<u>282,965</u>	<u>430,587</u>	<u>317,805</u>	<u>475,276</u>
Operating assets (increase) decrease					
Accounts receivable and other receivables		(2,013,715)	(3,036,522)	(3,503,776)	(4,684,296)
Other current assets		(43,133)	(18,942)	(243)	(13,992)
Other non-current assets		(3,426)	(13,861)	(2,717)	(12,588)
Operating liabilities increase (decrease)					
Accounts payable and other payables		96,682	12,508	182,978	10,827
Other current liabilities		51,250	(19,764)	13,402	(17,590)
Other non-current liabilities		(35)	(11,463)	(713)	2,729
Cash paid for operations		(1,629,412)	(2,657,457)	(2,993,264)	(4,239,634)
Proceeds from interest income		2,225,244	2,034,186	2,013,509	1,819,093
Finance costs paid		(759,191)	(670,940)	(728,554)	(640,444)
Income tax paid		(21,717)	(14,066)	(6,742)	(7,058)
Retirement benefit paid		(949)	(1,557)	(949)	(1,557)
Net cash used in operating activities		<u>(186,025)</u>	<u>(1,309,834)</u>	<u>(1,716,000)</u>	<u>(3,069,600)</u>

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED MAY 20, 2015**  
**“UNAUDITED”**

		<b>BAHT '000</b>			
	<b>Note</b>	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
		<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash paid for fixed deposits at banks under obligations		356	(6)	-	-
Cash paid for purchases of leasehold improvement and equipment		(7,629)	(164,221)	(1,113)	(124,093)
Cash paid for purchases in intangible assets		(65,846)	(156,819)	(64,292)	(84,987)
Proceeds from sale of leasehold improvement and equipment		-	5,258	-	5,258
Cash paid for investment in a subsidiary		-	-	(32,925)	-
Net cash used in investing activities		<u>(73,119)</u>	<u>(315,788)</u>	<u>(98,330)</u>	<u>(203,822)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from sale of additional revolving receivables under securitization projects		-	-	1,603,884	1,758,951
Proceeds from bank overdrafts and short-term loans from financial institutions		49,913,174	20,641,160	49,109,993	20,172,043
Cash repayments for bank overdrafts and short-term loans from financial institutions		(51,078,902)	(20,579,902)	(50,339,993)	(20,212,043)
Proceeds from long-term loans		4,472,500	1,957,200	4,472,500	1,957,200
Cash repayments for long-term loans		(4,040,604)	(1,408,700)	(4,036,500)	(1,408,700)
Proceeds from long-term debentures		596,860	975,000	596,860	975,000
Cash payments for finance lease agreements		-	(674)	-	-
Dividend paid		(15)	(15)	-	-
Net cash provided by (used in) financing activities		<u>(136,987)</u>	<u>1,584,069</u>	<u>1,406,744</u>	<u>3,242,451</u>
Net decrease in cash and cash equivalents		(396,131)	(41,553)	(407,586)	(30,971)
Decrease in exchange differences on translating financial statements of foreign operations		(7,471)	(3,589)	-	-
Cash and cash equivalents at beginning of the period		<u>2,769,448</u>	<u>2,434,732</u>	<u>2,218,371</u>	<u>1,801,656</u>
<b>Cash and cash equivalents at the end of the period</b>	5.1	<u><u>2,365,846</u></u>	<u><u>2,389,590</u></u>	<u><u>1,810,785</u></u>	<u><u>1,770,685</u></u>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
CONDENSED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED MAY 20, 2015  
“UNAUDITED”**

**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.

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 Note 2.4.

**2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

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

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

2.2 The interim consolidated and separate financial statements are prepared in compliance with Thai Accounting Standard No. 34 (Revised 2014) “Interim Financial Reporting” and practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements. Additional information is disclosed in accordance with the regulations of the Securities and Exchange Commission.

2.3 The interim consolidated and separate financial statements for the three-month periods ended May 20, 2015 and 2014 are prepared by the management of the Company and are unaudited. However, in the opinion of the Company, all adjustments necessary for a fair presentation have been reflected therein.

The consolidated and separate statements of financial position as at February 20, 2015, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which have been audited.

2.4 The interim consolidated financial statements for the three-month periods ended May 20, 2015 and 2014 include the accounts of the Company and its subsidiaries by eliminating significant intercompany balances and transactions.

For the three-month periods ended May 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, 7.2 and 23.6).

\*\* 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 7.2).

\*\*\* As at May 20, 2015, 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 interim consolidated financial statements for the three-month period ended May 20, 2015 included equity interests in associates.

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

2.5 Certain financial information which is normally included in the annual financial statements prepared in accordance with the Thai Financial Reporting Standards (TFRSs), but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements should be read in conjunction with the audited financial statements for the year ended February 20, 2015.

- 2.6 Preparation of financial statements in conformity with the Thai Financial Reporting Standards (TFRSs), requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Although management has exercised judgment reasonably on these matters under the current events, actual result may differ from such estimates.
- 2.7 The unaudited results of operations presented in the three-month period ended May 20, 2015 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.8 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current year financial statements

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

**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 (“TSIC”)**

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

**Thai Financial Reporting Standard Interpretations (“TFRIC”)**

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

Above TFRSs have no material impact on these financial statements, except for the following:

*Impact of the application of TFRS 13 “Fair Value Measurement”*

The Group has applied TFRS 13 for the first time in the current year. TFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of TFRS 13 is broad; the fair value measurement requirements of TFRS 13 apply to both financial instrument items and non-financial instrument items for which other TFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of TFRS 2 (Revised 2014) “Share-based Payment”, leasing transactions that are within the scope of TAS 17 (Revised 2014) “Leases”, and measurements that have some similarities to fair value but are not fair value (e.g. net realizable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

TFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under TFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, TFRS 13 includes extensive disclosure requirements.

TFRS 13 requires prospective application for the financial statements for the periods beginning on or after January 1, 2015 onwards. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of this Standard. Therefore, in accordance with these transitional provisions, the Group has not made any new disclosures required by TFRS 13 for the 2014 comparative period. Other than the additional disclosures in the annual financial statements, the application of TFRS 13 has not had any material impact on the amounts recognized in the financial statements.

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

The Federation of Accounting Professions issued the Notification regarding Thai Financial Reporting Standard No.4 (Revised 2014) “Insurance Contracts”, which will be effective for the accounting period beginning on or after January 1, 2016 onwards.

The Company and subsidiaries’ management anticipates that the adoption of the TFRS as above will have no material impact on the financial statements of the for the period in which it is initial applied.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended February 20, 2015, except the adoption of new and revised Thai Financial Reporting Standards as described in Note 2. Accounting policies which significantly changed are as follows:



## Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of TFRS 2 (Revised 2014), leasing transactions that are within the scope of TAS 17 (Revised 2014), and measurements that have some similarities to fair value but are not fair value, such as net realizable value in TAS 2 (Revised 2014) or value in use in TAS 36 (Revised 2014).

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

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

## **4. CHANGES IN ACCOUNTING ESTIMATES**

### Allowance for doubtful accounts and bad debts

For the year ended February 20, 2015, 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.

Effective from February 21, 2015, the Company changed its accounting estimates for calculating allowance for doubtful accounts on accounts receivable to a collective approach by classifying a group of loans having similar credit risk characteristics based on the historical loss experience of each loan category. In addition, the Company estimates an additional allowance which the management has considered from the uncollectible loss from past experience, current economic conditions and ability of repayment of receivables. Such change in accounting estimates is not material to the interim financial statements.

Allowance for doubtful accounts have been complied with the notification of the Office of the Securities and Exchange Commission, which are not less than allowance for doubtful accounts fully provided for all receivables over 3 installments contractually past due.

## 5. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

### 5.1 Cash and cash equivalents are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at May 20, 2015	As at February 20, 2015	As at May 20, 2015	As at February 20, 2015
	Baht’ 000	Baht’ 000	Baht’ 000	Baht’ 000
Cash	996,859	1,079,340	988,235	1,071,275
Deposits at bank - call deposits	1,368,987	1,677,808	822,550	1,147,096
Fixed deposits with maturity within 3 months from acquisition date	-	12,300	-	-
Cash and cash equivalents	<u>2,365,846</u>	<u>2,769,448</u>	<u>1,810,785</u>	<u>2,218,371</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht ’000	Baht ’000	Baht ’000	Baht ’000
Leasehold improvement and equipment				
Liabilities recorded - brought forward	8,848	34,488	8,848	34,488
Purchase of leasehold improvement and equipment	19,565	152,415	13,049	112,287
	28,413	186,903	21,897	146,775
<u>Less</u> Cash payments for purchase of leasehold improvement and equipment	<u>(7,629)</u>	<u>(164,221)</u>	<u>(1,113)</u>	<u>(124,093)</u>
Liabilities recorded - carried forward	<u>20,784</u>	<u>22,682</u>	<u>20,784</u>	<u>22,682</u>
Intangible assets				
Liabilities recorded - brought forward	17,015	11,717	17,015	11,717
Purchase of intangible assets	61,085	168,021	59,531	96,189
	78,100	179,738	76,546	107,906
<u>Less</u> Cash payments for investment in intangible assets	<u>(65,846)</u>	<u>(156,819)</u>	<u>(64,292)</u>	<u>(84,987)</u>
Liabilities recorded - carried forward	<u>12,254</u>	<u>22,919</u>	<u>12,254</u>	<u>22,919</u>

- 5.3 During the three-month periods ended May 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 increasing the Seller loan Account of Baht 181.48 million and decreasing Baht 13.74 million, respectively, instead of cash receipt.

## 6. ACCOUNTS RECEIVABLE

- 6.1 Accounts receivable consist of:

	CONSOLIDATED FINANCIAL STATEMENTS					
	"Unaudited"					
	As at May 20, 2015			As at February 20, 2015		
	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
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	980,430	785,967	1,766,397	1,014,890	770,022	1,784,912
<u>Less</u> Unearned financing income	(168,115)	(53,630)	(221,745)	(177,325)	(59,087)	(236,412)
	812,315	732,337	1,544,652	837,565	710,935	1,548,500
<u>Less</u> Allowance for doubtful accounts	(54,649)	-	(54,649)	(51,820)	-	(51,820)
Hire-purchase and accrued interest receivable - net	757,666	732,337	1,490,003	785,745	710,935	1,496,680
<b>Loans receivable</b>						
Loans and accrued interest receivable	34,997,925	456,380	35,454,305	34,537,979	483,842	35,021,821
<u>Less</u> Allowance for doubtful accounts	(1,429,751)	-	(1,429,751)	(1,451,543)	-	(1,451,543)
Loans and accrued interest receivable - net	33,568,174	456,380	34,024,554	33,086,436	483,842	33,570,278
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	22,622,212	-	22,622,212	22,206,948	-	22,206,948
<u>Less</u> Allowance for doubtful accounts	(946,840)	-	(946,840)	(925,109)	-	(925,109)
Credit card and accrued interest receivable - net	21,675,372	-	21,675,372	21,281,839	-	21,281,839
<b>Receivable from rendering the collection service</b>	24,637	-	24,637	24,592	-	24,592
<b>Receivable from insurance broker business</b>	79,677	-	79,677	111,708	-	111,708
<b>Total accounts receivable</b>	<u>56,105,526</u>	<u>1,188,717</u>	<u>57,294,243</u>	<u>55,290,320</u>	<u>1,194,777</u>	<u>56,485,097</u>

SEPARATE FINANCIAL STATEMENTS

“Unaudited”

	As at May 20, 2015			As at February 20, 2015		
	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
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	748,367	363,633	1,112,000	780,141	395,782	1,175,923
<u>Less</u> Unearned financing income	(168,115)	(53,630)	(221,745)	(177,325)	(59,087)	(236,412)
	580,252	310,003	890,255	602,816	336,695	939,511
<u>Less</u> Allowance for doubtful Accounts	(40,657)	-	(40,657)	(38,612)	-	(38,612)
Hire-purchase and accrued interest receivable - net	539,595	310,003	849,598	564,204	336,695	900,899
<b>Loans receivable</b>						
Loans and accrued interest receivable	34,773,564	395,829	35,169,393	34,340,637	427,555	34,768,192
<u>Less</u> Allowance for doubtful accounts	(1,428,270)	-	(1,428,270)	(1,451,044)	-	(1,451,044)
Loans and accrued interest receivable - net	33,345,294	395,829	33,741,123	32,889,593	427,555	33,317,148
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	22,217,622	-	22,217,622	22,048,990	-	22,048,990
<u>Less</u> Allowance for doubtful accounts	(831,642)	-	(831,642)	(809,958)	-	(809,958)
Credit card and accrued interest receivable - net	21,385,980	-	21,385,980	21,239,032	-	21,239,032
<b>Total accounts receivable</b>	<b>55,270,869</b>	<b>705,832</b>	<b>55,976,701</b>	<b>54,692,829</b>	<b>764,250</b>	<b>55,457,079</b>

6.2 Quality of assets  
Accounts receivable classified by aging, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at May 20, 2015	As at February 20, 2015	As at May 20, 2015	As at February 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Less than 3 months	57,754,477	56,921,325	56,425,320	55,866,374
3 months up	1,971,006	1,992,244	1,851,950	1,890,319
Total	59,725,483	58,913,569	58,277,270	57,756,693
<u>Less</u> Allowance for doubtful accounts	(2,431,240)	(2,428,472)	(2,300,569)	(2,299,614)
Total accounts receivable	57,294,243	56,485,097	55,976,701	55,457,079

### 6.3 Troubled debt restructuring

For the three-month periods ended May 20, 2015 and 2014, the Company had recognized interest income on restructured debts totaling Baht 100.25 million and Baht 87.80 million, respectively.

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	“Unaudited”			
	As at May 20, 2015		As at February 20, 2015	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	47,755	1,660,998	45,492	1,597,178
Non-restructured accounts receivable	3,480,049	57,960,172	3,503,237	57,180,091
Total accounts receivable	3,527,804	59,621,170	3,548,729	58,777,269

	SEPARATE FINANCIAL STATEMENTS			
	“Unaudited”			
	As at May 20, 2015		As at February 20, 2015	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	47,755	1,660,998	45,492	1,597,178
Non-restructured accounts receivable	3,250,733	56,616,272	3,293,326	56,159,515
Total accounts receivable	3,298,488	58,277,270	3,338,818	57,756,693

As at May 20, 2015 and February 20, 2015, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring

### 6.4 Allowance for doubtful accounts

Allowance for doubtful accounts are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at May 20, 2015	As at February 20, 2015	As at May 20, 2015	As at February 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	2,428,472	1,912,108	2,299,614	1,826,960
Bad debts and doubtful accounts	1,154,998	5,015,029	1,100,328	4,745,620
Bad debts written off	(1,152,230)	(4,498,665)	(1,099,373)	(4,272,966)
Ending balance	2,431,240	2,428,472	2,300,569	2,299,614

## 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:

		<b>Eternal 4*</b>	<b>Eternal 5**</b>	<b>Eternal 6***</b>
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)
<b>Initial sales of receivables</b>				
Net book value of initial receivables	Baht	3,038,017,234	4,355,040,449	4,500,002,090
Proceeds from transfer of the right of receivables (see Note 14)	Baht	2,205,000,000	2,790,000,000	2,960,000,000
Subordinated lendings (see Note 9)	Baht	744,000,000	1,438,000,000	1,399,351,988
Minimum seller loan - pari passu with debentures (see Note 8)	Baht	88,470,000	126,840,000	130,780,560
Number of contracts		178,751	205,485	183,047
Average principal amount outstanding	Baht	16,996	21,194	24,584
Interest rate		18% p.a.	20% p.a.	20% p.a.

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

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

\*\*\* Eternal 6 Special Purpose Vehicle Company Limited (Subsidiary)

The Company does not recognize other assets obtained in the transfer of financial assets including retained interests on the financial statements because it is not practical to estimate their reliable fair values.

Other related information is summarized as follows:

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

1. When the Company has breached its representations and warranties with respect to the Purchased Receivables which are ineligible. The Company is obliged to repurchase such ineligible receivables on the next Monthly Purchase Date.

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

On October 10, 2012, Eternal 4 redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and debentures, and the Company repurchased all outstanding receivables from Eternal 4 which led to the end of the securitization project of Eternal 4 on the same date. As at February 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 4 had passed the resolutions to approve the dissolution and liquidation, and Eternal 4 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 4 is under the liquidation process (see Notes 7.2 and 23.6).

On May 10, 2013, Eternal 5 redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and debentures, and the Company repurchased all outstanding receivables from Eternal 5 which led to the end of the securitization project of Eternal 5 on the same date. As at August 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 5 had passed the resolutions to approve the dissolution and liquidation, and Eternal 5 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 5 is under the liquidation process (see Note 7.2).

For the three-month periods ended May 20, 2015 and 2014, transactions relating to the transfer of financial assets under the securitization projects are summarized as follows:

	<b>2015</b> <b>Million</b> <b>Baht</b>	<b>2014</b> <b>Million</b> <b>Baht</b>
Transfers of future credit card receivables (at book value)		
- Credit card receivable (Eternal 6)	1,604	1,759
	<u>1,604</u>	<u>1,759</u>
Cash collection on behalf of Special Purpose Vehicles		
- Credit card receivable (Eternal 6)	1,856	1,914
	<u>1,856</u>	<u>1,914</u>
Servicing income on cash collection from Special Purpose Vehicles		
- Credit card receivable (Eternal 6)	65	68
	<u>65</u>	<u>68</u>

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

	<b>“Unaudited”</b>	
	<b>As at May 20, 2015 Million Baht</b>	<b>As at February 20, 2015 Million Baht</b>
Credit card receivables (included accrued interest income) - Eternal 6		
Less than 3 months	4,679	4,430
3 months up	85	87
	<u>4,764</u>	<u>4,517</u>
<u>Less</u> Allowance for doubtful accounts	(115)	(115)
<b>Total</b>	<u>4,649</u>	<u>4,402</u>

## 7. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND LONG-TERM INVESTMENTS IN RELATED COMPANIES

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

### 7.1 Investments in associates in the consolidated financial statements

As at May 20, 2015 and February 20, 2015, the Company had investments in the following entities which are associates and accounted for equity method in the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS						
“Unaudited”						
		As at May 20, 2015		As at February 20, 2015		
Paid-up Capital	% of Ownership	Investment (Cost method) Baht '000	Investment (Equity method) Baht '000	Investment (Cost method) Baht '000	Investment (Equity method) Baht '000	
<b>Investments in associates</b>						
ACS Trading Vietnam Company Limited	VND 50,000 million	20.00	16,819.3	38,757.9	16,819.3	37,234.9
ATS Rabbit Special Purpose Vehicle Company Limited	Baht 40,000	48.75	19.5	19.5	-	-
<b>Total investments in associates</b>			<u>16,838.8</u>	<u>38,777.4</u>	<u>16,819.3</u>	<u>37,234.9</u>



7.2 Investments in associates and subsidiaries in the separate financial statements:

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

	SEPARATE FINANCIAL STATEMENTS			
	"Unaudited"			
	As at May 20, 2015		As at February 20, 2015	
% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000	
<b>Investments in associates and subsidiaries</b>				
Investments in associates (see Note 20.1)				
ACS Trading Vietnam Company Limited	20.00	16,819.3	20.00	16,819.3
ATS Rabbit Special Purpose Vehicle Company Limited	48.75	19.5	-	-
<b>Total investments in associates</b>		<u>16,838.8</u>		<u>16,819.3</u>
Investments in subsidiaries (see Note 20.1)				
Eternal 4 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
Eternal 5 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
Eternal 6 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
AEON Microfinance (Cambodia) Private Company Limited	100.00	118,160.0	100.00	118,160.0
AEON Insurance Service (Thailand) Company Limited	100.00	149,224.3	100.00	149,224.3
ACS Servicing (Thailand) Company Limited	100.00	175,349.1	100.00	175,349.1
AEON Microfinance (Myanmar) Company Limited	100.00	209,129.1	100.00	176,204.1
AEON Leasing Service (Lao) Company Limited	91.14	101,286.3	91.14	101,286.3
<b>Total investments in subsidiaries</b>		<u>753,180.0</u>		<u>720,255.0</u>
<b>Total investments in associates and subsidiaries</b>		<u>770,018.8</u>		<u>737,074.3</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 Notes 6.5 and 23.6).
- (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 liquidation and dissolution and Eternal 5 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 5 is under the liquidation process (see Note 6.5).
- (3) On May 20, 2013, the Company paid Baht 10,400 for investment in ordinary shares of Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6), a new subsidiary of the Company, which was registered as a special purpose company under the Civil and Commercial Code of Thailand and the Securitization Law.

- (4) On April 4, 2013, the Company paid Baht 88.20 million for additional investment for capital increase of AEON Microfinance (Cambodia) Private Company Limited.
- (5) During the year ended February 20, 2013, the Company paid Baht 1.13 million for investment in AEON Microfinance (Myanmar) Company Limited, a new subsidiary of the Company, which was incorporated in Myanmar in order to conduct the retail finance business.

During the year ended February 20, 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.

Subsequently, on March 16, 2015, the Company paid Baht 32.93 million for additional investment for capital increase of AEON Microfinance (Myanmar) Company Limited.

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

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 associated company.
- (8) 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.

Subsequently, 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. The Company invested in ordinary shares and preferred share of ATS Rabbit Special Purpose Vehicle Company Limited in the amount of Baht 19,500. As at May 20, 2015, 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”).

7.3 Long-term investments in related companies consist of:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	“Unaudited”			
	As at May 20, 2015		As at February 20, 2015	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
<b>Long-term investments in related companies</b>				
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
		<u>35,217</u>		<u>35,217</u>
<u>Less</u> Allowance for impairment of investment		<u>(8,500)</u>		<u>(8,500)</u>
<b>Total long-term investments in related companies</b>		<u>26,717</u>		<u>26,717</u>

8. SELLER LOAN IN SPECIAL PURPOSE VEHICLES FOR SECURITIZATION

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

	SEPARATE	
	FINANCIAL STATEMENTS	
	“Unaudited”	
	As at May 20, 2015 Baht '000	As at February 20, 2015 Baht '000
Seller loan in Special Purpose Vehicles for securitization (see Note 20.2.1)		
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	<u>413,491</u>	<u>232,008</u>
<b>Total seller loan in Special Purpose Vehicle for Securitization</b>	<u>413,491</u>	<u>232,008</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.

**9. SUBORDINATED LENDINGS**

Subordinated lendings with Special Purpose Vehicles are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS "Unaudited"	
	As at May 20, 2015 Baht '000	As at February 20, 2015 Baht '000
Subordinated lendings (see Note 20.2.1)		
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	1,399,352	1,399,352
<b>Total subordinated lendings</b>	<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.

## 10. DEFERRED TAX ASSETS

Deferred tax assets consist of:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at May 20, 2015 Baht '000	As at February 20, 2015 Baht '000	As at May 20, 2015 Baht '000	As at February 20, 2015 Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	485,533	485,057	460,114	459,923
Non-accrual of interest income	66,542	67,932	65,034	66,403
Employee benefit obligation	12,474	15,243	11,384	14,269
Others	27,668	23,469	27,123	22,889
	<u>592,217</u>	<u>591,701</u>	<u>563,655</u>	<u>563,484</u>
<b>Deferred tax liabilities</b>				
Finance lease	744	975	-	-
Unrealized loss on currency swap contracts	121,151	108,719	121,151	108,719
Others	1,698	783	-	-
	<u>123,593</u>	<u>110,477</u>	<u>121,151</u>	<u>108,719</u>
<b>Deferred tax assets</b>	<u>468,624</u>	<u>481,224</u>	<u>442,504</u>	<u>454,765</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”			
	Balance As at February 21, 2015 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Balance As at May 20, 2015 Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	485,057	476	-	485,533
Non-accrual of interest income	67,932	(1,390)	-	66,542
Employee benefit obligation	15,243	(2,769)	-	12,474
Others	23,469	4,199	-	27,668
	<u>591,701</u>	<u>516</u>	<u>-</u>	<u>592,217</u>
<b>Deferred tax liabilities</b>				
Finance lease	975	(231)	-	744
Unrealized loss on currency swap contracts	108,719	12,432	-	121,151
Others	783	915	-	1,698
	<u>110,477</u>	<u>13,116</u>	<u>-</u>	<u>123,593</u>
<b>Deferred tax assets</b>	<u>481,224</u>	<u>(12,600)</u>	<u>-</u>	<u>468,624</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Balance As at February 21, 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
<b>Deferred tax assets</b>				
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>
<b>Deferred tax liabilities</b>				
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>
<b>Deferred tax assets</b>	<u>354,675</u>	<u>125,138</u>	<u>1,411</u>	<u>481,224</u>

SEPARATE FINANCIAL STATEMENTS  
"Unaudited"

	Balance As at February 21, 2015	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance As at May 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	459,923	191	-	460,114
Non-accrual of interest income	66,403	(1,369)	-	65,034
Employee benefit obligation	14,269	(2,885)	-	11,384
Others	22,889	4,234	-	27,123
	<u>563,484</u>	<u>171</u>	<u>-</u>	<u>563,655</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	108,719	12,432	-	121,151
	<u>108,719</u>	<u>12,432</u>	<u>-</u>	<u>121,151</u>
<b>Deferred tax assets</b>	<u>454,765</u>	<u>(12,261)</u>	<u>-</u>	<u>442,504</u>

SEPARATE FINANCIAL STATEMENTS

	Balance As at February 21, 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
<b>Deferred tax assets</b>				
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>
<b>Deferred tax liabilities</b>				
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>
<b>Deferred tax assets</b>	<u>337,679</u>	<u>115,271</u>	<u>1,815</u>	<u>454,765</u>

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

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

CONSOLIDATED FINANCIAL STATEMENTS				
“Unaudited”				
As at May 20, 2015			As at February 20, 2015	
	Interest rate	Baht '000	Interest rate	Baht '000
	%		%	
Overdrafts in THB currency	1.70	250,000	2.20	1,440,000
Short term loans in THB currency	1.60 - 1.70	1,320,000	2.10 - 2.33	1,360,000
Short term loans in USD currency	0.97 - 1.34	419,577	0.92 - 1.34	355,305
<b>Total</b>		<u>1,989,577</u>		<u>3,155,305</u>

SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
As at May 20, 2015			As at February 20, 2015	
	Interest rate	Baht '000	Interest rate	Baht '000
	%		%	
Overdrafts in THB currency	1.70	250,000	2.20	1,440,000
Short term loans in THB currency	1.60 - 1.70	1,320,000	2.10 - 2.33	1,360,000
<b>Total</b>		<u>1,570,000</u>		<u>2,800,000</u>

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

## 12. SHORT-TERM LOAN FROM RELATED COMPANY

As at May 20, 2015 and February 20, 2015, 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 (see Note 23.3).

## 13. LONG-TERM LOANS

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

CONSOLIDATED FINANCIAL STATEMENTS				
“Unaudited”				
As at May 20, 2015				
	Due within the year	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Loan in YEN currency	2015 - 2021	3.16 - 5.26	50,470.00	14,204,428
Loan in USD currency	2015 - 2020	2.16 - 4.32	456.50	15,299,066
Loan in THB currency	2015 - 2017	3.65 - 5.00	-	9,650,000
<u>Less</u> Loan issuance cost				<u>(114,352)</u>
				39,039,142
<u>Less</u> Current portion of long-term loans				<u>(8,584,290)</u>
<b>Total long-term loans</b>				<u>30,454,852</u>

CONSOLIDATED FINANCIAL STATEMENTS				
As at February 20, 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				<u>(102,643)</u>
				38,237,822
<u>Less</u> Current portion of long-term loans				<u>(10,040,561)</u>
<b>Total long-term loans</b>				<b><u>28,197,261</u></b>

SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
As at May 20, 2015				
	Due within the year	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Loan in YEN currency	2015 - 2021	3.16 - 5.26	50,470.00	14,204,428
Loan in USD currency	2015 - 2020	2.80 - 4.32	446.50	14,972,038
Loan in THB currency	2015 - 2017	3.65 - 5.00	-	9,650,000
<u>Less</u> Loan issuance cost				<u>(114,351)</u>
				38,712,115
<u>Less</u> Current portion of long-term loans				<u>(8,584,290)</u>
<b>Total long-term loans</b>				<b><u>30,127,825</u></b>

SEPARATE FINANCIAL STATEMENTS				
As at February 20, 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				<u>(102,643)</u>
				37,906,691
<u>Less</u> Current portion of long-term loans				<u>(10,040,561)</u>
<b>Total long-term loans</b>				<b><u>27,866,130</u></b>

In the consolidated and separate financial statements as at May 20, 2015 and 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 1,400.06 million and Yen 5,000 million or equivalent to Baht 1,378.09 million, respectively, 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 20.2.1).



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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
As at May 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	
<b>Receivable per currency swap contracts</b>				
Cross Currency Swap Contracts				
USD currency	1,689,185	121,520	33,555	155,075
Cross Currency Interest Rate Swap Contracts				
YEN currency	1,441,775	-	35,801	35,801
USD currency	12,379,615	382,480	365,683	748,163
	<u>15,510,575</u>	<u>504,000</u>	<u>435,039</u>	<u>939,039</u>
<b>Payable per currency swap contracts</b>				
Cross Currency Swap Contracts				
YEN currency	945,000	-	(100,671)	(100,671)
Cross Currency Interest Rate Swap Contracts				
YEN currency	14,315,950	(519,856)	(1,913,570)	(2,433,426)
	<u>15,260,950</u>	<u>(519,856)</u>	<u>(2,014,241)</u>	<u>(2,534,097)</u>
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	
<b>Receivable per currency swap contracts</b>				
Cross Currency Swap Contracts				
USD currency	1,689,185	23,609	85,849	109,458
Cross Currency Interest Rate Swap Contracts				
USD currency	12,892,640	310,328	335,908	646,236
	<u>14,581,825</u>	<u>333,937</u>	<u>421,757</u>	<u>755,694</u>
<b>Payable per currency swap contracts</b>				
Cross Currency Swap Contracts				
YEN currency	945,000	-	(113,646)	(113,646)
Cross Currency Interest Rate Swap Contracts				
YEN currency	14,315,950	(541,568)	(2,074,460)	(2,616,028)
USD currency	492,750	-	(2,211)	(2,211)
	<u>15,753,700</u>	<u>(541,568)</u>	<u>(2,190,317)</u>	<u>(2,731,885)</u>

## 14. LONG-TERM DEBENTURES

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS “Unaudited”									
Issue date	Maturity Date	No. of units	Currency	Par value per unit	Amount	Interest rate %	Term of interest payment	As at May 20, 2015 Baht '000	As at February 20, 2015 Baht '000
30/07/2010	30/07/2015	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.50	Semi-annual	670,640	654,052
14/07/2011	14/07/2016	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.30	Semi-annual	502,980	490,539
16/12/2011	16/12/2016	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.80	Semi-annual	670,640	654,052
30/08/2012	30/08/2017	30	USD	1,000,000	30,000,000	USD-LIBOR 3M	Quarterly	1,005,960	981,078
13/09/2012	13/09/2017	20	USD	1,000,000	20,000,000	USD-LIBOR 3M + 0.20	Quarterly	670,640	654,052
24/07/2013	29/07/2018	17	USD	1,000,000	17,000,000	USD-LIBOR 6M + 0.01	Semi-annual	570,044	555,944
29/11/2013	29/11/2018	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.05	Semi-annual	1,005,960	981,078
28/03/2014	28/03/2019	30	USD	1,000,000	30,000,000	USD-LIBOR 6M	Semi-annual	1,005,960	981,078
10/07/2014	10/07/2017	1,200,000	THB	1,000	1,200,000,000	4.43	Quarterly	1,200,000	1,200,000
26/09/2014	26/09/2017	15	USD	1,000,000	15,000,000	USD-LIBOR 6M	Semi-annual	502,980	490,539
27/03/2015	27/03/2019	22	YEN	100,000,000	2,200,000,000	JPY-TIBOR 6M + 0.36	Semi-annual	619,175	-
								8,424,979	7,642,412
<u>Less</u> Debenture issuance cost								(74,134)	(79,400)
								8,350,845	7,563,012
<u>Less</u> Current portion of long-term debentures								(670,021)	(652,646)
<b>Total long-term debentures</b>								<b>7,680,824</b>	<b>6,910,366</b>

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS “Unaudited” As at May 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	
<b>Receivable per currency interest rate swap contracts</b>			
Cross Currency Interest Rate Swap Contracts			
YEN currency	596,860	-	22,315
USD currency	6,232,900	24,640	348,263
	<u>6,829,760</u>	<u>24,640</u>	<u>370,578</u>
			<u>395,218</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

As at February 20, 2015

	Principal to be	Carrying amount		Total
	received/ paid	Less than	1 - 5 years	
	Baht '000	1 year	Baht '000	
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Receivable per currency interest rate swap contracts</b>				
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>

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

The subsidiaries' debentures are as follows:

Debenture Classes	Maturity date	Amount	Interest rate	"Unaudited"	
				As at	As at
		Baht' 000	%	May 20, 2015	February 20, 2015
		Baht' 000	%	Baht '000	Baht '000
<b>Eternal 6 Special Purpose Vehicle Co., Ltd.</b>					
Class A-sf	June 8, 2018	2,960,000	3.83	2,960,000	2,960,000
				<u>2,960,000</u>	<u>2,960,000</u>

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

As at May 20, 2015 and February 20, 2015, 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 22.5).

## 15. EMPLOYEE BENEFIT OBLIGATIONS

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

For the three-month periods ended May 20, 2015 and 2014, amounts recognized in the statements of profit or loss in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED		SEPARATE	
	2015	2014	2015	2014
	Baht'000	Baht'000	Baht'000	Baht'000
Current service cost	4,365	3,323	3,829	2,892
Interest cost	590	632	552	577
Total	<u>4,955</u>	<u>3,955</u>	<u>4,381</u>	<u>3,469</u>

Movements in the present value of the post-employment benefit obligations for the three-month period ended May 20, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATED FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht'000	Baht'000	Baht'000	Baht'000
Beginning balance	76,220	58,953	71,346	53,549
Current service cost	4,365	3,323	3,829	2,892
Interest cost	590	632	552	577
Benefit paid/ decrease	(949)	(1,557)	(18,806)	(1,557)
Ending balance	<u>80,226</u>	<u>61,351</u>	<u>56,921</u>	<u>55,461</u>

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at May 20, 2015 and February 20, 2015 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	"Unaudited"	
	May 20, 2015 % per annum	February 20, 2015 % per annum
Financial assumptions		
Discount rate	3.09 - 3.67	3.09 - 3.67
Turnover rate		
Monthly staffs	0.0 - 27.0	0.0 - 27.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staffs	0.0 - 61.0	0.0 - 61.0
	Subject to range of age of employees	Subject to range of age of employees
Temporary staffs	0.0 - 64.0	0.0 - 64.0
	Subject to range of age of employees	Subject to range of age of employees
Expected rate of salary increase	5.0 - 7.0	5.0 - 7.0

	SEPARATE FINANCIAL STATEMENTS	
	"Unaudited"	
	May 20, 2015 % per annum	February 20, 2015 % per annum
Financial assumptions		
Discount rate	3.44	3.44 - 3.67
Turnover rate		
Monthly staffs	0.0 - 19.0	0.0 - 19.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staffs	0.0 - 47.0	0.0 - 47.0
	Subject to range of age of employees	Subject to range of age of employees
Temporary staffs	0.0 - 64.0	0.0 - 64.0
	Subject to range of age of employees	Subject to range of age of employees
Expected rate of salary increase	5.0	5.0

## 16. SHAREHOLDERS' EQUITY

- 16.1 On June 12, 2014, the Annual General Meeting of shareholders had the resolutions to approve the declaration of final dividends for the fiscal year 2013 at the rate of Baht 1.85 per share, totaling Baht 462.50 million. The aforementioned shareholders included 2,700 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 462.49 million which were paid to all shareholders on June 24, 2014 in addition to the interim dividends which had been paid to all shareholders at Baht 1.60 per share, totaling Baht 399.95 million on October 24, 2013.
- 16.2 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.
- 16.3 Under the Securitization project, the subsidiaries have to pay dividend to their shareholders from all remaining amounts after deducting the required accumulated reserves and payment of all fees and expenses. The subsidiaries appropriate interim dividends on a monthly basis at each Monthly Purchase Date as an appropriation of net profit after income tax of each month.

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

## 17. REVENUE RELATING TO SECURITIZATION TRANSACTION

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

For the three-month periods ended May 20, 2015 and 2014, the details of revenues from securitization transaction consist of the following:

	SEPARATE FINANCIAL STATEMENTS	
	2015	2014
	Baht '000	Baht '000
Credit Card Income		
Interest income from subordinated lending	40,946	40,945
Revenue from seller loan in Special Purpose Vehicle	3,932	4,574
Dividend from investment in Special Purpose Vehicle	50,264	42,848
Servicing income	65,348	67,725
Total	<u>160,490</u>	<u>156,092</u>

## 18. DIRECTORS AND MANAGERMENTS' REMUNERATION

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

For the three-month periods ended May 20, 2015 and 2014, directors and managements' remuneration are as follows:

	CONSOLIDATED		SEPARATE	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Managements' remuneration	25,406	22,395	14,427	14,995
Directors' remuneration	5,875	4,265	5,000	2,660
Post-employment benefits	710	772	466	487
	<u>31,991</u>	<u>27,432</u>	<u>19,893</u>	<u>18,142</u>

For the three-month periods ended May 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, 2015 and June 12, 2014, respectively.

## 19. CORPORATE INCOME TAX

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

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 rates of 20% for corporate income tax calculation for the three-month periods ended May 20, 2015 and 2014, respectively. Foreign subsidiaries used 20% - 25% and 20% - 30% for corporate income tax calculation for the three-month periods ended May 20, 2015 and 2014, respectively.

The Company and its local subsidiaries used tax rates of 20% for calculation of deferred tax for the three-month periods ended May 20, 2015 and 2014. Foreign subsidiaries used 20% - 25% and 20% - 30% for calculation of deferred tax for the three-month periods ended May 20, 2015 and 2014, respectively.

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

For the three-month periods ended May 20, 2015 and 2014, income tax consists of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the periods	119,415	132,013	94,515	108,356
Deferred income tax expense	12,600	17,833	12,261	17,734
Income tax expense per statements of profit or loss	<u>132,015</u>	<u>149,846</u>	<u>106,776</u>	<u>126,090</u>

Reconciliations of effective tax rates for the three-month periods ended May 20, 2015 and 2014 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2015		2014	
	Amount	Rate	Amount	Rate
	Baht '000	%	Baht '000	%
Profit before income tax expense	<u>655,434</u>		<u>735,945</u>	
Income tax at the tax rate	129,260	20.00 - 25.00	165,695	20.00 - 30.00
<u>Add</u> Tax effect of income and expense that are not exempt for tax purposes	2,858	0.44	4,185	0.57
<u>Less</u> Tax effect of income and expense that are exempt for tax purposes	(103)	(0.02)	(20,034)	(2.72)
Income tax expense per statements of profit or loss	<u>132,015</u>	<u>20.14</u>	<u>149,846</u>	<u>20.36</u>

	SEPARATE FINANCIAL STATEMENTS			
	2015		2014	
	Amount	Rate	Amount	Rate
	Baht '000	%	Baht '000	%
Profit before income tax expense	<u>673,605</u>		<u>724,930</u>	
Income tax at the tax rate	134,721	20.00	144,986	20.00
<u>Add</u> Tax effect of income and expense that are not exempt for tax purposes	352	0.05	403	0.06
<u>Less</u> Tax effect of income and expense that are exempt for tax purposes	(28,297)	(4.20)	(19,299)	(2.66)
Income tax expense per statements of profit or loss	<u>106,776</u>	<u>15.85</u>	<u>126,090</u>	<u>17.40</u>

## 20. TRANSACTIONS WITH RELATED PARTIES

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

20.1 Investments in associates and subsidiaries (see Note 7.2) are as follows:

Related parties	Relationship	Paid-up Capital Baht '000	% Ownership	SEPARATE FINANCIAL STATEMENTS	
				“Unaudited” As at May 20, 2015 Cost Baht '000	As at February 20, 2015 Cost Baht '000
<b>Investments in associates and subsidiaries</b>					
<b>Investments in associates</b>					
ACS Trading Vietnam Company Limited	Associate	84,096.3	20.00	16,819.3	16,819.3
ATS Rabbit Special Purpose Vehicle Company Limited	Associate	40.0	48.75	19.5	-
Total investment in associates				<u>16,838.8</u>	<u>16,819.3</u>
<b>Investments in subsidiaries</b>					
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	209,129.1	100.00	209,129.1	176,204.1
AEON Leasing Service (Lao) Company Limited	Subsidiary	111,402.9	91.14	101,286.3	101,286.3
Total investments in subsidiaries				<u>753,180.0</u>	<u>720,255.0</u>
<b>Total investments in associates and subsidiaries</b>				<u><b>770,018.8</b></u>	<u><b>737,074.3</b></u>

20.2 Business transactions with related parties

20.2.1 Balances with related parties are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		“Unaudited” As at May 20, 2015 Baht '000	As at February 20, 2015 Baht '000	“Unaudited” As at May 20, 2015 Baht '000	As at February 20, 2015 Baht '000
<b>Other receivables</b>					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	158,772	154,527
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	45,198	238
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	139,016	739
AEON Financial Service Company Limited	Major shareholder	7,599	5,525	7,599	5,525
AEON Credit Service Company Limited	Common ultimate holding company	11	4	11	4
ACS Capital Corporation Limited	Shareholder and one common director	8,545	3,994	2	14
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	-	186	-	186
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	-	-	27,943	98
AEON (Thailand) Company Limited	Holding shares and two common directors	13	6	13	6
AEON Microfinance (Myanmar) Private Company Limited	Subsidiary	-	-	5	-
		<u>16,168</u>	<u>9,715</u>	<u>378,559</u>	<u>161,337</u>



Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
		As at May 20, 2015 Baht '000	As at February 20, 2015 Baht '000	As at May 20, 2015 Baht '000	As at February 20, 2015 Baht '000
<b>Accrued Revenue</b>					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	12,703	-
<b>Seller loan in Special Purpose Vehicle for Securitization (see Note 8)</b>					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	413,491	232,008
<b>Subordinated lending (see Note 9)</b>					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	1,399,352	1,399,352	1,399,352	1,399,352
<b>Short-term loan (see Note 12)</b>					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	50,000	50,000
<b>Long-term loan (see Note 13)</b>					
AEON Bank Ltd.	Common ultimate holding company	1,400,060	1,378,089	1,400,060	1,378,089
<b>Accounts payable</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	115,802	117,120
<b>Other payables</b>					
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	-	-	161,560	171,354
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	8,449	7,869
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	115,839	31,585
AEON (Thailand) Company Limited	Holding shares and two common directors	-	83	-	83
AEON Financial Service Company Limited	Major shareholder	51,524	39,297	51,524	39,297
AEON Credit Service Company Limited	Common ultimate holding company	14,113	21,313	3,776	9,997
AEON Credit Service Systems (Philippines) Inc.	Holding shares	285	287	-	-
AEON Bank Ltd.	Common ultimate holding company	394	1,217	394	1,217
ACS Capital Corporation Limited	Shareholder and one common director	105	-	-	-
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	504	-	-	-
		66,925	62,197	341,630	261,490
<b>Deferred Revenue</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	766	826
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	9,025	9,643
ACS Capital Corporation Limited	Shareholder and one common director	480	514	480	514
		480	514	10,271	10,983

## 20.2.2 Transactions with related parties

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the three-month periods ended May 20,		For the three-month periods ended May 20,	
		2015 Baht '000	2014 Baht '000	2015 Baht '000	2014 Baht '000
<b>Sales promotion income</b>					
AEON Insurance Services (Thailand) Company Limited	Subsidiary	-	-	2,985	1,976
<b>Revenue relating to securitization transaction (including in credit card income)</b>					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	160,490	156,092
<b>Dividend income</b>					
AEON Insurance Services (Thailand) Company Limited	Subsidiary	-	-	45,000	35,000
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	17,908	17,908
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	-	-	27,800	-
		<u>-</u>	<u>-</u>	<u>90,708</u>	<u>52,908</u>
<b>Other income</b>					
ACS Capital Corporation Limited	Shareholder and one common director	3,878	3,698	3,655	3,698
AEON Insurance Services (Thailand) Company Limited	Subsidiary	-	-	17,297	5,691
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	7,089	732
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	-	-	-	97
AEON (Thailand) Company Limited	Holding shares and two common directors	40	-	40	-
		<u>3,918</u>	<u>3,698</u>	<u>28,081</u>	<u>10,218</u>
<b>Operating and administrative expenses</b>					
<b>Collection service fee</b>					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	165,037	75,545
<b>Others</b>					
AEON Financial Service Company Limited	Major shareholder	12,804	13,863	12,804	13,863
AEON Credit Service Company Limited	Common ultimate holding company	11,368	2,723	4,545	2,723
AEON (Thailand) Company Limited	Holding shares and two common directors	3,353	3,936	3,353	3,936
AEON Insurance Services (Thailand) Company Limited	Subsidiary	-	-	322	-
AEON Credit Service Systems (Philippines) Inc.	Holding shares	2,691	8,752	2,244	8,752
ACS Capital Corporation Limited	Shareholder and one common director	10,953	10,135	10,518	10,135
AEON Bank Ltd.	Common ultimate holding company	394	-	394	-
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	613	-	-	-
		<u>42,176</u>	<u>39,409</u>	<u>199,217</u>	<u>114,954</u>

- Other income for the three-month period ended May 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.
- 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.

## **21. SEGMENT INFORMATION**

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

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

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

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

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

21.1 Operating result classified by business

CONSOLIDATED FINANCIAL STATEMENTS					
For the three-month period ended May 20, 2015					
	Retail finance services		Other domestic	Elimination	Total
	Domestic	Foreign	business		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	4,011,902	44,477	131,876	-	4,188,255
Inter - segment revenues	-	27,799	250,219	(278,018)	-
	<u>4,011,902</u>	<u>72,276</u>	<u>382,095</u>	<u>(278,018)</u>	<u>4,188,255</u>
Expenses					
Operating and administrative expenses	1,584,609	51,627	323,254	(186,241)	1,773,249
Directors and managements' remuneration	19,894	8,414	3,683	-	31,991
Bad debts and doubtful accounts	1,149,870	5,128	-	-	1,154,998
Finance cost	571,339	2,993	-	(226)	574,106
Total expenses	<u>3,325,712</u>	<u>68,162</u>	<u>326,937</u>	<u>(186,467)</u>	<u>3,534,344</u>
Share of profit from investment in associates	-	1,523	-	-	1,523
Net income (loss) before income tax expense	686,190	5,637	55,158	(91,551)	655,434
Income tax expense	119,345	3,357	9,313	-	132,015
Net income (loss) for the period	<u>566,845</u>	<u>2,280</u>	<u>45,845</u>	<u>(91,551)</u>	<u>523,419</u>

CONSOLIDATED FINANCIAL STATEMENTS					
For the three-month period ended May 20, 2014					
	Retail finance services		Other Domestic	Elimination	Total
	Domestic	Foreign	business		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	3,837,222	39,409	83,538	-	3,960,169
Inter - segment revenues	-	-	136,747	(136,747)	-
	<u>3,837,222</u>	<u>39,409</u>	<u>220,285</u>	<u>(136,747)</u>	<u>3,960,169</u>
Expenses					
Operating and administrative expenses	1,480,604	31,707	160,569	(83,839)	1,589,041
Directors and managements' remuneration	18,142	4,306	4,984	-	27,432
Bad debts and doubtful accounts	1,042,902	3,410	-	-	1,046,312
Finance cost	559,913	1,514	12	-	561,439
Total expenses	<u>3,101,561</u>	<u>40,937</u>	<u>165,565</u>	<u>(83,839)</u>	<u>3,224,224</u>
Net income (loss) before income tax expense	735,661	(1,528)	54,720	(52,908)	735,945
Income tax expense	136,806	2,239	10,801	-	149,846
Net income (loss) for the period	<u>598,855</u>	<u>(3,767)</u>	<u>43,919</u>	<u>(52,908)</u>	<u>586,099</u>

## 21.2 Financial position classified by business

	CONSOLIDATED FINANCIAL STATEMENTS				
	"Unaudited"				
	As at May 20, 2015				
	Retail finance services		Other domestic	Elimination	Total
Domestic	Foreign	business			
Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
Accounts receivable and other receivable	56,717,631	948,122	419,104	(513,065)	57,571,792
Leasehold improvement and equipment and intangible assets	1,311,332	145,188	252,029	-	1,708,549
Other assets	6,141,253	128,363	401,772	(743,204)	5,928,184
Total assets	<u>64,170,216</u>	<u>1,221,673</u>	<u>1,072,905</u>	<u>(1,256,269)</u>	<u>65,208,525</u>
Total liabilities	<u>53,402,742</u>	<u>851,388</u>	<u>510,173</u>	<u>(516,531)</u>	<u>54,247,772</u>

  

	CONSOLIDATED FINANCIAL STATEMENTS				
	As at February 20, 2015				
	Retail finance services		Other domestic	Elimination	Total
	Domestic	Foreign	business		
Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
Accounts receivable and other receivable	55,669,978	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>

## 22. CREDIT FACILITIES AND LETTER OF GUARANTEE

- 22.1 As at May 20, 2015 and February 20, 2015, the Company has the committed and unsecured revolving credit facility agreements with a financial institution for general corporate funding requirements totaling Baht 400 million. Such credit facility is still unused.
- 22.2 As at May 20, 2015 and February 20, 2015, the Company has unused overdraft facilities with various banks totaling Baht 1,845.10 million and Baht 655.10 million, respectively. Such overdraft facilities are unsecured.
- 22.3 As at May 20, 2015 and February 20, 2015, the Company has bank's letters of guarantees issued to suppliers for guarantee payment of Baht 0.50 million. Such letters of guarantees are unsecured.
- 22.4 As at May 20, 2015 and February 20, 2015, the subsidiaries have letters of guarantee issued by banks in the amounts of Baht 3.94 million and Baht 3.93 million, respectively.
- 22.5 As at May 20, 2015 and February 20, 2015, 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 14).
- 22.6 As at May 20, 2015, the Company has outstanding letter of credit issued by a bank for guarantee repayment of a subsidiary's loans of not exceeding USD 0.26 million.

### **23. EVENTS AFTER THE REPORTING PERIOD**

- 23.1 On May 27, 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 33,840,000 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.
- 23.2 On June 4, 2015, the Company has paid for the capital injection to AEON Microfinance (Cambodia) Company Limited, which is a subsidiary of the Company, amounting to USD 4,000,000 or approximately Baht 134,800,000 according to the consideration and approval of capital injection to AEON Microfinance (Cambodia) Company Limited from Board of Directors Meeting on April 20, 2015. The Company holds 80.00% of shareholding in the subsidiary after capital increased.
- 23.3 On June 5, 2015, the Company has repaid short-term loan from a related company of Baht 50 million.
- 23.4 On June 12, 2015, the Annual General Meeting of shareholders had the resolutions to approve the declaration of final dividends for the fiscal year 2014 at the rate of Baht 1.85 per share, totaling Baht 462.50 million. The aforementioned shareholders included 92,900 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 462.33 million which were paid to all shareholders on June 25, 2015 in addition to the interim dividends which had been paid to all shareholders at Baht 1.60 per share, totaling Baht 399.99 million on October 27, 2014.
- 23.5 On June 12, 2015, the Annual General Meeting of shareholders had the resolutions to approve 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 monthly tax period. The first accounting period of the change shall be effective and starting from the accounting period of February 21, 2016 to February 29, 2016, which the Company received the approval from the Revenue Department.
- 23.6 Eternal 4 Special Purpose Vehicle Company Limited, which had registered the dissolution on February 20, 2013, has already registered the liquidation with the Department of Business Development, Ministry of Commerce on June 17, 2015.

### **24. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS**

These interim financial statements have been approved for issuing by the Company's authorized director and the Audit Committee on June 24, 2015.

(Translation)

No.21/2015

June 29, 2015

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 4/2015

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby report the resolutions passed at the meeting of the Board of Directors No. 4/2015, held on June 29, 2015 from 10:00 a.m. as follows:

1. Unanimously acknowledgement of the report by the Board of Directors with respect of the Company's performance and approved the reviewed financial statements of the Company for the first quarter ended May 20, 2015;
2. With reference to the Company's Annual General Meeting of Shareholders held on June 12, 2014 which resolved the issuing debenture in an amount of up to 8 billion baht equivalent for financing, using as capital or refinancing the outstanding debts, the Company Board of Director meeting has already approved amount of 5 billion baht and the Company has partially issued those debentures. Currently the Company has remaining amount of 3 billion baht. Therefore, The Company would like to present the details of the issuance and offering of a new tranche of debentures as follows;

Type	Unsubordinated and unsecured Debentures
Purpose	Refinance and/or General Working Capital
Currency to issue	USD
Issuing amount	Up to USD 15 Million (Equivalent to 500 MB)
Tenor	Up to 5 years from issuance date
Placement	Japanese Bank
Interest rate	Depend on debenture market at time of offer and issuance

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

Please be informed accordingly

Yours sincerely,

Yasuhiko Kondo  
Managing Director



## Management Discussion and Analysis for the 1<sup>st</sup> Quarter 2015 ended May 20, 2015

AEON Thana Sinsap (Thailand) Public Company Limited (“the Company”) has already submitted the consolidated reviewed the 1<sup>st</sup> quarter financial statements as of May 20, 2015 which were reviewed by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The Company has net profit attributed to owners of the parent of 524 million baht or 2.09 baht per share. The financial performance can be summarized as follows.

### Overview

According to the Bank of Thailand, Thai economy in the first quarter of 2015 grew by 3.0%, improving from 2.1% in the fourth quarter of 2014. This was mainly from non-agricultural expansion and increasing services. However, overall the economy was gradually recovering due to a slowdown in private sector consumption and exports, when exports in the first quarter of 2015 contracted by 4% mainly due to the deceleration in key trading partners’ economies.

As of May 20, 2015, the Company’s total cards reached 7.30 million cards (including 2.27 million credit cards and 5.03 million member cards), net increasing by 73,000 cards from February 20, 2015. Covering networks nationwide, the Company has 117 branches, 464 ATMs, and over 16,700 member dealers to provide quality financial services to AEON cardholders.

### Operating Results

#### **Revenues**

For the first 3 months of fiscal year 2015, the total consolidated revenues were 4,188 million baht, showing an increase of 228 million baht or 6% from the same period last year. However, revenues for the Company only were 3,908 million baht, increasing by 179 million baht or 5% from last year. As of May 20, 2015, the Company has active billings of 3.45 million per month with active customers of 2.25 million, mainly from Bangkok 33%, and in up-country 67%. Details of each business can be described as follows:

#### **- Credit Card**

Credit cards turnover shared 46% of total turnovers. Revenues from credit card in Q1/2015 increased by 8% y-y to 1,586 million baht and represented 38% of total revenues. This was due to the fact that the Company has focused on promotional activities were also organized jointly with leading shops and department stores such as the campaign “Enjoy eating with AEON credit card” with Central Pattana Public Company Limited to enjoy dining at restaurants located inside Central Department store nationwide, campaign “365 Days AEON

Credit Card Enjoy Your Daily Happiness” with 2 major partners, McDonald’s and Major Cineplex, which continuously gave a lot of privilege to AEON credit cardholders for the third consecutive year. In addition, the Company has joined Major Cineplex Group Public Company Limited to become naming sponsor of the first premium class “AEON theatre @Quartier” at the Emquartier with AEON lounge services and numerous privileges for AEON credit cardholders.

**- Loans**

In Q1/2015, loans shared 48% of total turnovers (shared 27% from personal loan and 21% from purposed loan for mobile phone, IT products, electrical appliances and etc. at department stores and over 16,700 dealers nationwide) with the revenues of 2,118 million baht, increasing by 39 million baht or 2% y-y, shared 51% of total revenues.

**- Hire Purchase**

In Q1/2015, motorcycle hire purchase in Thailand and electrical appliances, mobile phone and etc. in oversea business, sharing 1% of total turnovers with revenues of 104 million baht, showing an increase of 8 million baht or 8% from last year. This was mainly contributed from hire purchase income from Cambodia of 44 million baht, increasing by 32% from last year. The oversea subsidiaries will continue to grow in the future. However, the company has continued launching promotions with motorcycle manufacturers and suppliers, i.e., Honda and Suzuki as well as increased distribution channels for motorcycle sales through our branches.

**- Other**

In the first quarter of 2015, other incomes were 380 million baht, showing an increase of 60 million baht or 19% from last year. The majority of other incomes came from bad debt recovery of 135 million baht. Moreover, the income for the first quarter of 2015 of company’s subsidiaries in Thailand, the Company had commission income of 116 million baht, increasing by 97% y-y from AEON Insurance Service (Thailand) Co., Ltd. and collection service income of 52 million baht, decreasing by 14% y-y from ACS Servicing (Thailand) Co., Ltd. accordingly and others. The Company has planed to generate more fee base incomes in the future.

## Expenses

The Company's expenses mainly consist of operating and administrative expenses, bad debt and doubtful accounts and finance cost. In Q1/2015, the Company had total consolidated expenses of 3,534 million baht, showing an increase of 310 million baht or 10% y-y. However, expenses for the Company only were 3,234 million baht, showing an increase of 230 million baht or 8% y-y. Details of expenses are shown as follows:

### - Operating and Administrative Expenses

In Q1/2015, the operating and administrative expenses were 1,805 million baht, increasing by 12% y-y, and represented 43% of total revenues, for the Company only represented 41% of total revenues. This was as a result of branches renovation and system development to stimulate sales performance and improve cost effectiveness as well as a business expansion of the oversea subsidiaries to increase customer base.

### - Bad debt and Doubtful accounts

In Q1/2015, the Company posted bad debt and doubtful accounts of 1,155 million baht, increasing by 10% from the same period last year. The increase was due to economic slowdown. However, compared with the fourth quarter of 2014, bad debt and doubtful accounts decreased by 7% q-q, which the trend of bad debt and doubtful accounts to declining continuously since the second half of 2014 accordingly.

### - Finance Cost

In Q1/2015, the Company had finance cost of 574 million baht, slightly increase to 2% from the same period last year. Key factors were well-managed funding cost. However, finance cost in the first quarter of 2015 accounted for 14% of total revenues, the same level as last year. This was because the Company's policy is to manage liquidity risk and interest rates fluctuation risk by mainly locking in long-term borrowing, represented 77% of total borrowing in Q1/2015.

## Net Profit

In Q1/2015, the Company had consolidated operating income of 655 million baht, and reported net profit attributed to owners of the parent of 524 million baht, decreasing by 62 million baht or 11% y-y, or 2.09 baht per share. A decreased in the net profit was due to economic slowdown, especially declining domestic consumption. In addition, the Company recorded share of profit by 1.5 million baht from ACS Trading Vietnam Co., Ltd., the associated company by the equity method.

## Financial Status

### **Total Assets**

As of May 20, 2015, consolidated total assets were 65,209 million baht, an increase of 816 million baht or 1% from 64,392 million baht as of February 20, 2015. The main assets were attributed to the portfolio of net account receivables which shared 88% of total assets.

#### **- Accounts Receivable**

The Company had gross accounts receivable of 59,725 million baht (both current assets and non-current assets) as of May 20, 2015, increasing by 1% from 58,914 million baht as of February 20, 2015. This can be categorized by business type as follows: credit card receivable 22,622 million baht, increased by 2%, loans receivable 35,454 million baht, increasing by 1% and hire purchase receivable 1,545 million baht. However, including credit card receivable under securitization of 4,359 million baht which was off balance sheet, total accounts receivable were 64,084 million baht, increasing by 1% from the end of fiscal year 2014.

As of May 20, 2015, the Company provided allowance for doubtful accounts of 2,431 million baht or 4.07% of total accounts receivable, comparing to that of 2,428 million baht or 4.12% of total accounts receivable at the end of previous fiscal year. The percentage account receivable 3 months overdue or non-performing loan ratio was 3.30% at May 20, 2015. The Company was able to control accounts receivable overdue more than 3 months at the portion of 3.30% since the second quarter of 2014 accordingly.

Effective from February 21, 2015, the Company changed its accounting estimates for calculating allowance for doubtful accounts on accounts receivable to a collective approach by classifying a group of loans having similar credit risk characteristics based on the historical loss experience of each loan category. In addition, the Company estimates an additional allowance which the management has considered from the uncollectible loss from past experience, current economic conditions and ability of repayment of receivables. Such change in accounting estimates is not material to the interim financial statements.

### **Liabilities**

The consolidated liabilities of the Company as of May 20, 2015 totaled 54,248 million baht, increasing by 301 million baht, or 1% over the end of fiscal year 2014. This was due to an increase in the total borrowings to 49,380 million baht. The portion of long-term borrowings was 38,136 million baht or 77% of total borrowings.

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

### Shareholders' Equity

As of May 20, 2015, total shareholders' equity amounted to 10,961 million baht, increasing by 516 million baht, or 5% over the end of fiscal year 2014. Consequently, Book value as of May 20, 2015 was 43.8 baht per share, increasing from that of 38.0 baht per share as of May 20, 2014.

Debt to Equity ratio as of May 20, 2015 decreased to 4.9 times from 5.6 times as of May 20, 2014. Return on Equity and Return on Asset equaled to 19.6% and 3.2%, respectively.