

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

**TO THE BOARD OF DIRECTORS**

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

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

**Scope of Review**

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

**Conclusion**

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

**BANGKOK**  
September 22, 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 AUGUST 20, 2015**

**BAHT '000**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		August 20,	February 20,	August 20,	February 20,
		2015	2015	2015	2015
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5.1	2,542,352	2,769,448	1,858,132	2,218,371
Accounts receivable and other receivables					
Accounts receivable	6	57,358,313	55,290,320	56,069,898	54,692,829
Other receivables		404,782	209,713	646,074	324,619
Receivables per currency swap contracts	13 and 14	913,844	341,989	913,844	341,989
Other current assets		51,287	55,160	39,643	38,787
Total Current Assets		<u>61,270,578</u>	<u>58,666,630</u>	<u>59,527,591</u>	<u>57,616,595</u>
<b>NON-CURRENT ASSETS</b>					
Accounts receivable	6	1,201,773	1,194,777	666,944	764,250
Fixed deposits at banks under obligations		32,170	21,958	-	-
Investments in associates	7.1 and 7.2	39,507	37,235	16,839	16,819
Investments in subsidiaries	7.2	-	-	955,609	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	-	-	1,288,946	232,008
Subordinated lendings	9	1,399,352	1,399,352	1,399,352	1,399,352
Leasehold improvement and equipment		968,439	1,029,777	719,428	850,316
Intangible assets		699,475	737,417	558,546	613,366
Receivables per currency swap contracts	13 and 14	1,827,693	623,217	1,827,693	623,217
Deferred tax assets	10	505,614	481,224	475,111	454,765
Other non-current assets		175,085	173,770	154,376	159,391
Total Non-Current Assets		<u>6,875,825</u>	<u>5,725,444</u>	<u>8,089,561</u>	<u>5,860,456</u>
<b>TOTAL ASSETS</b>		<u><u>68,146,403</u></u>	<u><u>64,392,074</u></u>	<u><u>67,617,152</u></u>	<u><u>63,477,051</u></u>

See condensed notes to the financial statements

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

**BAHT '000**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		August 20,	February 20,	August 20,	February 20,
		2015	2015	2015	2015
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term loans from financial institutions	11	4,005,455	3,155,305	3,670,000	2,800,000
Short-term loan from a related company	12	-	-	-	50,000
Accounts payable and other payables					
Accounts payable		480,872	495,555	377,412	362,421
Other payables		1,337,982	1,297,242	1,996,616	1,436,025
Current portion of :					
Long-term loans	13	12,457,444	10,040,561	12,457,444	10,040,561
Long-term debentures	14	533,960	652,646	533,960	652,646
Accrued income tax		298,932	314,468	266,142	282,910
Payables per currency swap contracts	13	480,078	541,568	480,078	541,568
Other current liabilities		121,910	75,231	80,515	61,234
Total Current Liabilities		<u>19,716,633</u>	<u>16,572,576</u>	<u>19,862,167</u>	<u>16,227,365</u>
<b>NON-CURRENT LIABILITIES</b>					
Long-term loans	13	27,790,028	28,197,261	27,450,762	27,866,130
Long-term debentures	14	7,561,190	6,910,366	7,561,190	6,910,366
Payables per currency swap contracts	13	1,695,697	2,190,317	1,695,697	2,190,317
Employee benefit obligations	15	85,132	76,220	60,472	71,346
Other non-current liabilities		445	514	9,557	10,983
Total Non-Current Liabilities		<u>37,132,492</u>	<u>37,374,678</u>	<u>36,777,678</u>	<u>37,049,142</u>
<b>TOTAL LIABILITIES</b>		<u>56,849,125</u>	<u>53,947,254</u>	<u>56,639,845</u>	<u>53,276,507</u>

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

**BAHT '000**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		August 20,	February 20,	August 20,	February 20,
		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		5,634,792	4,842,294	5,374,307	4,597,544
OTHER COMPONENTS OF EQUITY					
Exchange differences on translating financial statements of foreign operations					
		(10,318)	(1,119)	-	-
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		11,227,474	10,444,175	10,977,307	10,200,544
NON-CONTROLLING INTERESTS		69,804	645	-	-
TOTAL SHAREHOLDERS' EQUITY		11,297,278	10,444,820	10,977,307	10,200,544
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>68,146,403</b>	<b>64,392,074</b>	<b>67,617,152</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 AUGUST 20, 2015**  
**“UNAUDITED”**

		<b>BAHT '000</b>			
	<b>Notes</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>REVENUES</b>					
Credit card income	17	1,640,433	1,502,074	1,539,448	1,369,360
Loan income		2,224,826	2,196,365	2,203,060	2,191,758
Hire-purchase income		106,762	100,916	54,852	62,712
Other income					
Bad debt recovery		153,572	173,899	149,882	172,543
Gain on sales of written-off accounts receivable	23	190,669	478,677	190,669	478,677
Collection service income		31,252	62,082	4,260	6,505
Commission income		119,497	65,693	-	-
Gain (loss) on sale of leasehold improvement and equipment and intangible assets		(171)	37	4,633	37
Others		75,958	61,837	35,994	33,206
Total other income		<u>570,777</u>	<u>842,225</u>	<u>385,438</u>	<u>690,968</u>
Total Revenues		<u>4,542,798</u>	<u>4,641,580</u>	<u>4,182,798</u>	<u>4,314,798</u>
<b>EXPENSES</b>					
Operating and administrative expenses		1,807,914	1,726,705	1,634,572	1,593,500
Directors and managements' remuneration	18	34,760	36,314	21,331	27,259
Bad debts and doubtful accounts		1,203,910	1,440,660	1,144,625	1,349,339
Finance cost		582,648	593,002	552,838	562,897
Total Expenses		<u>3,629,232</u>	<u>3,796,681</u>	<u>3,353,366</u>	<u>3,532,995</u>
Share of profit from investments in associates		730	-	-	-
INCOME BEFORE INCOME TAX EXPENSE		<u>914,296</u>	<u>844,899</u>	<u>829,432</u>	<u>781,803</u>
INCOME TAX EXPENSE	19	181,548	170,938	157,170	152,933
<b>NET PROFIT FOR THE PERIOD</b>		<u><u>732,748</u></u>	<u><u>673,961</u></u>	<u><u>672,262</u></u>	<u><u>628,870</u></u>
<b>NET PROFIT ATTRIBUTABLE TO :</b>					
Owners of the parent		731,308	674,289	672,262	628,870
Non-controlling interests		1,440	(328)	-	-
		<u>732,748</u>	<u>673,961</u>	<u>672,262</u>	<u>628,870</u>
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	2.93	2.70	2.69	2.52
<b>WEIGHTED AVERAGE NUMBER OF</b>					
<b>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 AUGUST 20, 2015**  
**“UNAUDITED”**

**BAHT '000**

	<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	732,748	673,961	672,262	628,870
Other comprehensive income (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	(1,752)	(2,455)	-	-
- Non-controlling interests	1,823	(44)	-	-
Other comprehensive income (loss) for the period,				
net of income tax	71	(2,499)	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>732,819</u>	<u>671,462</u>	<u>672,262</u>	<u>628,870</u>
<b>TOTAL COMPREHENSIVE INCOME</b>				
<b>ATTRIBUTABLE TO :</b>				
Owners of the parent	729,556	671,834	672,262	628,870
Non-controlling interests	3,263	(372)	-	-
	<u>732,819</u>	<u>671,462</u>	<u>672,262</u>	<u>628,870</u>

See condensed notes to the financial statements

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

		<b>BAHT '000</b>			
	<b>Notes</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>REVENUES</b>					
Credit card income	17	3,226,843	2,967,686	3,024,824	2,727,552
Loan income		4,342,577	4,275,307	4,302,645	4,269,389
Hire-purchase income		210,503	196,553	110,953	123,928
Other income					
Bad debt recovery		288,392	318,243	281,568	316,287
Gain on sales of written-off accounts receivable	23	190,669	478,677	190,669	478,677
Collection service income		83,624	123,242	8,997	13,292
Commission income		235,807	124,772	-	-
Gain (loss) on sale of leasehold improvement and equipment and intangible assets		(343)	271	5,303	271
Dividend income		-	-	90,708	52,908
Others		152,981	116,998	74,864	61,695
Total other income		<u>951,130</u>	<u>1,162,203</u>	<u>652,109</u>	<u>923,130</u>
Total Revenues		<u>8,731,053</u>	<u>8,601,749</u>	<u>8,090,531</u>	<u>8,043,999</u>
<b>EXPENSES</b>					
Operating and administrative expenses		3,581,163	3,315,746	3,205,844	3,060,306
Directors and managements' remuneration	18	66,751	63,746	41,224	45,401
Bad debts and doubtful accounts		2,358,908	2,486,972	2,244,953	2,336,392
Finance cost		1,156,754	1,154,441	1,095,473	1,095,167
Total Expenses		<u>7,163,576</u>	<u>7,020,905</u>	<u>6,587,494</u>	<u>6,537,266</u>
Share of profit from investments in associates		<u>2,253</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>INCOME BEFORE INCOME TAX EXPENSE</b>		<u>1,569,730</u>	<u>1,580,844</u>	<u>1,503,037</u>	<u>1,506,733</u>
<b>INCOME TAX EXPENSE</b>	19	<u>313,563</u>	<u>320,784</u>	<u>263,946</u>	<u>279,023</u>
<b>NET PROFIT FOR THE PERIOD</b>		<u>1,256,167</u>	<u>1,260,060</u>	<u>1,239,091</u>	<u>1,227,710</u>
<b>NET PROFIT ATTRIBUTABLE TO :</b>					
Owners of the parent		1,254,826	1,260,771	1,239,091	1,227,710
Non-controlling interests		1,341	(711)	-	-
		<u>1,256,167</u>	<u>1,260,060</u>	<u>1,239,091</u>	<u>1,227,710</u>
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	5.02	5.04	4.96	4.91
<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 SIX-MONTH PERIOD ENDED AUGUST 20, 2015**  
**“UNAUDITED”**

**BAHT '000**

	<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	1,256,167	1,260,060	1,239,091	1,227,710
Other comprehensive income (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	(9,199)	(6,024)	-	-
- Non-controlling interests	1,799	(64)	-	-
Other comprehensive loss for the period, net of income tax	<u>(7,400)</u>	<u>(6,088)</u>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>1,248,767</u></b>	<b><u>1,253,972</u></b>	<b><u>1,239,091</u></b>	<b><u>1,227,710</u></b>
<b>TOTAL COMPREHENSIVE INCOME</b>				
<b>ATTRIBUTABLE TO :</b>				
Owners of the parent	1,245,627	1,254,747	1,239,091	1,227,710
Non-controlling interests	3,140	(775)	-	-
	<u>1,248,767</u>	<u>1,253,972</u>	<u>1,239,091</u>	<u>1,227,710</u>

See condensed notes to the financial statements



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

**BAHT '000**

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

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

**BAHT '000**

Notes	CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)							Non- controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Unappropriated	Other components of equity Exchange differences on translating financial statements of foreign operations	Total owners of the parent		
			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									
Increase in share capital from									
non-controlling interests in subsidiaries	7.2	-	-	-	-	-	-	66,064	66,064
Capital repayment from dissolution									
in a subsidiary	16.4	-	-	-	-	-	-	(30)	(30)
Dividend paid	16.3	-	-	-	(462,328)	-	(462,328)	(15)	(462,343)
Net profit for the period		-	-	-	1,254,826	-	1,254,826	1,341	1,256,167
Other comprehensive income (loss)		-	-	-	-	(9,199)	(9,199)	1,799	(7,400)
<b>Ending balance, as at August 20, 2015</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>5,634,792</u>	<u>(10,318)</u>	<u>11,227,474</u>	<u>69,804</u>	<u>11,297,278</u>

See condensed notes to the financial statements

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

BAHT '000

	Notes	SEPARATE FINANCIAL STATEMENTS				Total shareholders' equity	
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			
				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	3,165,094	8,768,094
Changes during the period							
Dividend paid	16.1	-	-	-	-	(462,495)	(462,495)
Net profit for the period		-	-	-	-	1,227,710	1,227,710
<b>Ending balance, as at August 20, 2014</b>		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>3,930,309</u>	<u>9,533,309</u>
<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							
Dividend paid	16.3	-	-	-	-	(462,328)	(462,328)
Net profit for the period		-	-	-	-	1,239,091	1,239,091
<b>Ending balance, as at August 20, 2015</b>		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>5,374,307</u>	<u>10,977,307</u>

See condensed notes to the financial statements

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

**STATEMENT OF CASH FLOWS**

**FOR THE SIX-MONTH PERIOD ENDED AUGUST 20, 2015**

**“UNAUDITED”**

**BAHT '000**

	<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 OPERATING ACTIVITIES</b>					
Profit before income tax expense		1,569,730	1,580,844	1,503,037	1,506,733
Adjustments for:					
Shares of profit from investments in associates		(2,253)	-	-	-
Bad debts and doubtful accounts		2,358,908	2,486,972	2,244,953	2,336,392
Depreciation		159,539	142,219	132,097	122,980
Amortization of intangible assets		120,642	131,084	106,148	116,212
Employee benefit expense		9,903	7,911	7,932	6,939
Gain on sale of written-off accounts receivable		(190,669)	(478,677)	(190,669)	(478,677)
(Gain) loss on sale of leasehold improvement and equipment		343	(271)	(4,467)	(271)
Gain on sale of intangible assets		-	-	(836)	-
Loss on written-off of leasehold improvement and equipment		541	-	-	-
Interest income		(4,619,408)	(4,228,566)	(4,187,217)	(3,796,175)
Dividend income		-	-	(90,708)	(52,908)
Finance cost		1,156,754	1,154,441	1,095,473	1,095,167
		<u>564,030</u>	<u>795,957</u>	<u>615,743</u>	<u>856,392</u>
Operating assets (increase) decrease					
Accounts receivable and other receivables		(4,395,051)	(5,338,326)	(7,258,307)	(8,497,469)
Other current assets		3,485	(7,976)	(856)	(277)
Other non-current assets		(8,615)	(20,930)	(2,287)	(13,366)
Operating liabilities increase (decrease)					
Accounts payable and other payables		40,426	(24,079)	105,303	8,684
Other current liabilities		46,679	11,174	19,280	18,545
Other non-current liabilities		(69)	(11,497)	(1,427)	5,113
Cash paid for operations		(3,749,115)	(4,595,677)	(6,522,551)	(7,622,378)
Proceeds from interest income		4,527,943	4,157,462	4,098,857	3,724,641
Dividend received		-	-	90,708	52,908
Finance cost paid		(1,138,990)	(1,092,753)	(1,076,535)	(1,031,621)
Income tax paid		(353,489)	(400,130)	(301,060)	(302,938)
Retirement benefits paid		(991)	(1,557)	(18,806)	(1,557)
Net cash used in operating activities		<u>(714,642)</u>	<u>(1,932,655)</u>	<u>(3,729,387)</u>	<u>(5,180,945)</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED AUGUST 20, 2015

“UNAUDITED”

BAHT '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash paid for fixed deposits at banks under obligations		(10,212)	(161)	-	-
Cash paid for purchases of leasehold improvement and equipment		(95,736)	(339,796)	(82,793)	(247,687)
Cash paid for purchases of intangible assets		(95,632)	(213,074)	(87,893)	(135,250)
Proceeds from sale of leasehold improvement and equipment		-	5,296	-	5,296
Proceeds from capital refund from a subsidiary		-	-	10	-
Capital refund paid from dissolution in a subsidiary		(30)	-	-	-
Cash paid for investment in subsidiaries		-	-	(235,365)	(36,384)
Net cash used in investing activities		<u>(201,610)</u>	<u>(547,735)</u>	<u>(406,041)</u>	<u>(414,025)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from sale of additional revolving receivables under securitization projects		-	-	3,182,966	3,420,791
Proceeds from sale of written-off accounts receivable		47,691	119,669	47,691	119,669
Proceeds from bank overdrafts and short-term loans from financial institutions		107,417,610	48,071,961	105,769,535	47,225,500
Cash repayments for bank overdrafts and short-term loans from financial institutions		-106,567,460	(48,115,190)	(104,949,535)	(47,265,500)
Proceeds from long-term loans		4,472,500	5,804,042	4,472,500	5,608,450
Cash repayments for long-term loans		(4,228,366)	(5,170,000)	(4,236,500)	(5,170,000)
Proceeds from long-term debentures		596,860	2,175,000	596,860	2,175,000
Cash repayments for long-term debentures		(646,000)	-	(646,000)	-
Cash payments for finance lease agreements		-	(1,290)	-	-
Proceeds from ordinary shares issued of a subsidiary		66,064	-	-	-
Dividend paid		(462,343)	(462,510)	(462,328)	(462,495)
Net cash provided by financing activities		<u>696,556</u>	<u>2,421,682</u>	<u>3,775,189</u>	<u>5,651,415</u>
Net increase (decrease) in cash and cash equivalents		(219,696)	(58,708)	(360,239)	56,445
Decrease in exchange differences on translating financial statements of foreign operations		(7,400)	(6,088)	-	-
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>2,542,352</u></u>	<u><u>2,369,936</u></u>	<u><u>1,858,132</u></u>	<u><u>1,858,101</u></u>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
CONDENSED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED AUGUST 20, 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, 27<sup>th</sup> 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 prepare 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 and six-month periods ended August 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 and six-month periods ended August 20, 2015 and 2014 include the accounts of the Company and its subsidiaries by eliminating significant intercompany balances and transactions.

For the three-month and six-month periods ended August 20, 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
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	80.00	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 registered the dissolution and the liquidation with the Department of Business Development, Ministry of Commerce on February 20, 2013, and June 17, 2015, respectively (see Notes 6.5 and 7.2).

\*\* Eternal 5 Special Purpose Vehicle Company Limited had already registered the dissolution with the Department of Business Development, Ministry of Commerce on August 20, 2013. Eternal 5 is under the liquidation process (see Notes 6.5 and 7.2).

\*\*\* As at August 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 and six-month periods ended August 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 and six-month periods ended August 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 follows:

**Thai Accounting Standards ("TAS")**

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



**Thai Financial Reporting Standards (“TFRS”)**

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

**Thai Accounting Standards Interpretations (“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 TAS 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 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, 2016 onwards, as follows:

### **Thai Accounting Standards (“TAS”)**

TAS 1 (Revised 2015)	Presentation of Financial Statements
TAS 2 (Revised 2015)	Inventories
TAS 7 (Revised 2015)	Statement of Cash Flows
TAS 8 (Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2015)	Events After the Reporting Period
TAS 11 (Revised 2015)	Construction Contracts
TAS 12 (Revised 2015)	Income Taxes
TAS 16 (Revised 2015)	Property, Plant and Equipment
TAS 17 (Revised 2015)	Leases
TAS 18 (Revised 2015)	Revenue
TAS 20 (Revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2015)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2015)	Borrowing Costs
TAS 24 (Revised 2015)	Related Party Disclosures
TAS 26 (Revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2015)	Separate Financial Statements
TAS 28 (Revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2015)	Earnings Per Share
TAS 34 (Revised 2015)	Interim Financial Reporting
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 40 (Revised 2015)	Investment Property

**Thai Financial Reporting Standards (“TFRS”)**

TFRS 3 (Revised 2015)	Business Combinations
TFRS 4 (Revised 2015)	Insurance Contracts
TFRS 5 (Revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2015)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (Revised 2015)	Operating Segments
TFRS 11 (Revised 2015)	Joint Arrangements
TFRS 12 (Revised 2015)	Disclosure of Interests in Other Entities

**Thai Accounting Standards Interpretations (“TSIC”)**

TSIC 10 (Revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2015)	Operating Leases – Incentives
TSIC 25 (Revised 2015)	Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2015)	Disclosure - Service Concession Arrangements
TSIC 31 (Revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2015)	Intangible Assets - Web Site Costs

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

TFRIC 1 (Revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2015)	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2015)	Service Concession Arrangements
TFRIC 13 (Revised 2015)	Customer Loyalty Programmes
TFRIC 14 (Revised 2015)	TAS 19 (Revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2015)	Transfers of Assets from Customers
TFRIC 20 (Revised 2015)	Stripping Costs in the Production Phase of a Surface Mine

The Company’s and its subsidiaries’ management will adopt such TFRS in the preparation of the Company’s and its subsidiaries’ financial statements when it becomes effective.

The Company’s and its subsidiaries’ management is in the process to assess the impact of this TFRS on the financial statements of the Company and its subsidiaries in the period of initial application.

**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. Such change in accounting estimates is not material to the interim financial statements.

However, the Company's allowance for doubtful accounts shall not be less than allowance for doubtful accounts fully provided for all receivables over 3 installments contractually past due, in order to comply with the notification of the Office of the Securities and Exchange Commission.

## 5. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

5.1 Cash and cash equivalents are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	"Unaudited"		"Unaudited"	
	As at	As at	As at	As at
	August 20,	February 20,	August 20,	February 20,
	2015	2015	2015	2015
	Baht' 000	Baht' 000	Baht' 000	Baht' 000
Cash	1,007,281	1,079,340	999,042	1,071,275
Deposits at bank - call deposits	1,535,071	1,677,808	859,090	1,147,096
Fixed deposits with maturity within 3 months from acquisition date	-	12,300	-	-
Cash and cash equivalents	<u>2,542,352</u>	<u>2,769,448</u>	<u>1,858,132</u>	<u>2,218,371</u>

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Leasehold improvement and equipment				
Liabilities recorded - brought forward	8,848	34,488	8,848	34,488
Purchase of leasehold improvement and equipment	<u>98,697</u>	<u>337,036</u>	<u>85,754</u>	<u>244,927</u>
	107,545	371,524	94,602	279,415
<u>Less</u> Cash payments for purchase of leasehold improvement and equipment	<u>(95,736)</u>	<u>(339,796)</u>	<u>(82,793)</u>	<u>(247,687)</u>
Liabilities recorded - carried forward	<u>11,809</u>	<u>31,728</u>	<u>11,809</u>	<u>31,728</u>
Intangible assets				
Liabilities recorded - brought forward	17,015	11,717	17,015	11,717
Purchase of intangible assets	<u>82,699</u>	<u>226,279</u>	<u>74,960</u>	<u>148,455</u>
	99,714	237,996	91,975	160,172
<u>Less</u> Cash payments for investment in intangible assets	<u>(95,632)</u>	<u>(213,074)</u>	<u>(87,893)</u>	<u>(135,250)</u>
Liabilities recorded - carried forward	<u>4,082</u>	<u>24,922</u>	<u>4,082</u>	<u>24,922</u>

- 5.3 During the six-month periods ended August 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 1,056.94 million and decreasing Baht 37.00 million, respectively, instead of cash receipt.

## 6. ACCOUNTS RECEIVABLE

- 6.1 Accounts receivable consist of:

CONSOLIDATED FINANCIAL STATEMENTS						
“Unaudited”						
	As at August 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	992,296	809,428	1,801,724	1,014,890	770,022	1,784,912
<u>Less</u> Unearned financing income	(162,675)	(51,298)	(213,973)	(177,325)	(59,087)	(236,412)
	829,621	758,130	1,587,751	837,565	710,935	1,548,500
<u>Less</u> Allowance for doubtful accounts	(57,806)	-	(57,806)	(51,820)	-	(51,820)
Hire-purchase and accrued interest receivable - net	771,815	758,130	1,529,945	785,745	710,935	1,496,680
<b>Loans receivable</b>						
Loans and accrued interest receivable	35,448,990	443,643	35,892,633	34,537,979	483,842	35,021,821
<u>Less</u> Allowance for doubtful accounts	(1,505,696)	-	(1,505,696)	(1,451,543)	-	(1,451,543)
Loans and accrued interest receivable - net	33,943,294	443,643	34,386,937	33,086,436	483,842	33,570,278
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	23,557,252	-	23,557,252	22,206,948	-	22,206,948
<u>Less</u> Allowance for doubtful accounts	(1,010,359)	-	(1,010,359)	(925,109)	-	(925,109)
Credit card and accrued interest receivable - net	22,546,893	-	22,546,893	21,281,839	-	21,281,839
<b>Receivable from rendering the collection service</b>	25,724	-	25,724	24,592	-	24,592
<b>Receivable from insurance broker business</b>	70,587	-	70,587	111,708	-	111,708
<b>Total accounts receivable</b>	<b>57,358,313</b>	<b>1,201,773</b>	<b>58,560,086</b>	<b>55,290,320</b>	<b>1,194,777</b>	<b>56,485,097</b>

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“Unaudited”

	As at August 20, 2015			As at February 20, 2015		
	Due within	Due after	Total	Due within	Due after	Total
	1 year	1 year		1 year	1 year	
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	726,546	347,761	1,074,307	780,141	395,782	1,175,923
<u>Less</u> Unearned financing income	(162,675)	(51,298)	(213,973)	(177,325)	(59,087)	(236,412)
	563,871	296,463	860,334	602,816	336,695	939,511
<u>Less</u> Allowance for doubtful Accounts	(42,176)	-	(42,176)	(38,612)	-	(38,612)
Hire-purchase and accrued interest receivable - net	521,695	296,463	818,158	564,204	336,695	900,899
<b>Loans receivable</b>						
Loans and accrued interest receivable	35,165,919	370,481	35,536,400	34,340,637	427,555	34,768,192
<u>Less</u> Allowance for doubtful accounts	(1,502,658)	-	(1,502,658)	(1,451,044)	-	(1,451,044)
Loans and accrued interest receivable - net	33,663,261	370,481	34,033,742	32,889,593	427,555	33,317,148
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	22,774,845	-	22,774,845	22,048,990	-	22,048,990
<u>Less</u> Allowance for doubtful accounts	(889,903)	-	(889,903)	(809,958)	-	(809,958)
Credit card and accrued interest receivable - net	21,884,942	-	21,884,942	21,239,032	-	21,239,032
<b>Total accounts receivable</b>	<b>56,069,898</b>	<b>666,944</b>	<b>56,736,842</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	As at	As at	As at
	August 20, 2015	February 20, 2015	August 20, 2015	February 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Less than 3 months	58,991,412	56,921,325	57,163,984	55,866,374
3 months up	2,142,535	1,992,244	2,007,595	1,890,319
Total	61,133,947	58,913,569	59,171,579	57,756,693
<u>Less</u> Allowance for doubtful accounts	(2,573,861)	(2,428,472)	(2,434,737)	(2,299,614)
Total accounts receivable	58,560,086	56,485,097	56,736,842	55,457,079

### 6.3 Troubled debt restructuring

For the three-month periods ended August 20, 2015 and 2014, the Company had recognized interest income on restructured debts totaling Baht 41.22 million and Baht 22.05 million, respectively.

For the six-month periods ended August 20, 2015 and 2014, the Company had recognized interest income on restructured debts totaling Baht 141.48 million and Baht 109.85 million, respectively.

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	“Unaudited”			
	As at August 20, 2015		As at February 20, 2015	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	48,928	1,663,455	45,492	1,597,178
Non-restructured accounts receivable	3,515,032	59,374,182	3,503,237	57,180,091
Total accounts receivable	3,563,960	61,037,637	3,548,729	58,777,269

	SEPARATE FINANCIAL STATEMENTS			
	“Unaudited”			
	As at August 20, 2015		As at February 20, 2015	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	48,928	1,663,455	45,492	1,597,178
Non-restructured accounts receivable	3,272,449	57,508,124	3,293,326	56,159,515
Total accounts receivable	3,321,377	59,171,579	3,338,818	57,756,693

As at August 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 August 20, 2015	As at February 20, 2015	As at May 20, 2015	As at August 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	2,358,908	5,015,029	2,244,953	4,745,620
Bad debts written off	(2,213,519)	(4,498,665)	(2,109,830)	(4,272,966)
Ending balance	2,573,861	2,428,472	2,434,737	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 has already registered the completion of the liquidation process with Department of Business Development, Ministry of Commerce on June 17, 2015 (see Note 7.2).

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

	For the three-month periods ended August 20,		For the six-month periods ended August 20,	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Transfers of future credit card receivables (at book value)				
- Credit card receivable (Eternal 6)	1,579	1,662	3,183	3,421
	<u>1,579</u>	<u>1,662</u>	<u>3,183</u>	<u>3,421</u>
Cash collection on behalf of Special Purpose Vehicles				
- Credit card receivable (Eternal 6)	1,876	1,911	3,732	3,825
	<u>1,876</u>	<u>1,911</u>	<u>3,732</u>	<u>3,825</u>
Servicing income on cash collection from Special Purpose Vehicles				
- Credit card receivable (Eternal 6)	69	70	135	138
	<u>69</u>	<u>70</u>	<u>135</u>	<u>138</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 August 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	4,551	4,430
3 months up	96	87
	<u>4,647</u>	<u>4,517</u>
<u>Less</u> Allowance for doubtful accounts	<u>(121)</u>	<u>(115)</u>
<b>Total</b>	<u><u>4,526</u></u>	<u><u>4,402</u></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 August 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 August 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	39,487.4	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>39,506.9</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 August 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 August 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
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	80.00	252,960.0	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	276,769.1	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>955,609.6</u>		<u>720,255.0</u>
<b>Total investments in associates and subsidiaries</b>		<u>972,448.4</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 has already registered the completion of the liquidation process with Department of Business Development, Ministry of Commerce on June 17, 2015 (see Note 6.5).
- (2) On May 10, 2013, Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and long-term debentures, and the Company repurchased all outstanding receivables from Eternal 5 which led to the end of the securitization project of Eternal 5 on the same date. As at August 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 5 had passed the resolutions to approve the 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.

Subsequently, on June 4, 2015, the Company paid Baht 134.80 million for additional investment for capital increase of AEON Microfinance (Cambodia) Private Company Limited. The Company holds 80.00% of shareholding in the subsidiary after capital increased.

- (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 years ended February 20, 2015 and 2014, the Company paid Baht 97.31 million and Baht 77.76 million, respectively, for additional investment for capital increase of AEON Microfinance (Myanmar) Company Limited.

Subsequently, on March 16, 2015, May 27, 2015, and June 30, 2015, the Company paid Baht 32.93 million, Baht 33.84 million and Baht 33.80 million, respectively, for additional investment for capital increase of AEON Microfinance (Myanmar) Company Limited.

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

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 August 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 August 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><u>26,717</u></u>		<u><u>26,717</u></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 August 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)	1,288,946	232,008
<b>Total seller loan in Special Purpose Vehicle for Securitization</b>	<u>1,288,946</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 August 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 August 20, 2015 Baht '000	As at February 20, 2015 Baht '000	As at August 20, 2015 Baht '000	As at February 20, 2015 Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	513,651	485,057	486,947	459,923
Non-accrual of interest income	69,335	67,932	67,752	66,403
Employee benefit obligation	17,026	15,243	12,095	14,269
Others	29,364	23,469	29,420	22,889
	<u>629,376</u>	<u>591,701</u>	<u>596,214</u>	<u>563,484</u>
<b>Deferred tax liabilities</b>				
Finance lease	510	975	-	-
Unrealized loss on currency swap contracts	121,103	108,719	121,103	108,719
Others	2,149	783	-	-
	<u>123,762</u>	<u>110,477</u>	<u>121,103</u>	<u>108,719</u>
<b>Deferred tax assets</b>	<u>505,614</u>	<u>481,224</u>	<u>475,111</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 August 20, 2015 Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	485,057	28,594	-	513,651
Non-accrual of interest income	67,932	1,403	-	69,335
Employee benefit obligation	15,243	1,783	-	17,026
Others	23,469	5,895	-	29,364
	<u>591,701</u>	<u>37,675</u>	<u>-</u>	<u>629,376</u>
<b>Deferred tax liabilities</b>				
Finance lease	975	(465)	-	510
Unrealized loss on currency swap contracts	108,719	12,384	-	121,103
Others	783	1,366	-	2,149
	<u>110,477</u>	<u>13,285</u>	<u>-</u>	<u>123,762</u>
<b>Deferred tax assets</b>	<u>481,224</u>	<u>24,390</u>	<u>-</u>	<u>505,614</u>



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	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 August 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	459,923	27,024	-	486,947
Non-accrual of interest income	66,403	1,349	-	67,752
Employee benefit obligation	14,269	(2,174)	-	12,095
Others	22,889	6,531	-	29,420
	<u>563,484</u>	<u>32,730</u>	<u>-</u>	<u>596,214</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on currency swap contracts	108,719	12,384	-	121,103
	<u>108,719</u>	<u>12,384</u>	<u>-</u>	<u>121,103</u>
<b>Deferred tax assets</b>	<u>454,765</u>	<u>20,346</u>	<u>-</u>	<u>475,111</u>

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	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 August 20, 2015		As at February 20, 2015	
	Interest rate	Baht '000	Interest rate	Baht '000
	%		%	
Overdrafts in THB currency	1.70	1,800,000	2.20	1,440,000
Short term loans in THB currency	1.60 - 1.85	1,870,000	2.10 - 2.33	1,360,000
Short term loans in USD currency	1.01 - 1.39	319,928	0.92 - 1.34	355,305
Short term loans in LAK currency	10.50 - 11.00	15,527		
<b>Total</b>		<u>4,005,455</u>		<u>3,155,305</u>

SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
	As at August 20, 2015		As at February 20, 2015	
	Interest rate	Baht '000	Interest rate	Baht '000
	%		%	
Overdrafts in THB currency	1.70	1,800,000	2.20	1,440,000
Short term loans in THB currency	1.60 - 1.85	1,870,000	2.10 - 2.33	1,360,000
<b>Total</b>		<u>3,670,000</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 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 in Thailand.

On June 5, 2015, the Company has repaid such short-term loan from a related company in the whole amount.

### 13. LONG-TERM LOANS

As at August 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 August 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	14,604,352
Loan in USD currency	2015 - 2020	2.16 - 4.32	456.50	16,294,452
Loan in THB currency	2015 - 2017	3.65 - 5.00	-	9,450,000
<u>Less</u> Loan issuance cost				(101,332)
				40,247,472
<u>Less</u> Current portion of long-term loans				(12,457,444)
<b>Total long-term loans</b>				<b>27,790,028</b>
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				(102,643)
				38,237,822
<u>Less</u> Current portion of long-term loans				(10,040,561)
<b>Total long-term loans</b>				<b>28,197,261</b>
SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
As at August 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	14,604,352
Loan in USD currency	2015 - 2020	2.80 - 4.32	446.50	15,955,186
Loan in THB currency	2015 - 2017	3.65 - 5.00	-	9,450,000
<u>Less</u> Loan issuance cost				(101,332)
				39,908,206
<u>Less</u> Current portion of long-term loans				(12,457,444)
<b>Total long-term loans</b>				<b>27,450,762</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				(102,643)
				37,906,691
<u>Less</u> Current portion of long-term loans				(10,040,561)
<b>Total long-term loans</b>				<b>27,866,130</b>

In the consolidated and separate financial statements as at August 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 1,440.04 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 years 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 August 20, 2015				
	Notional amount 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	209,596	66,584	276,180
Cross Currency Interest Rate Swap Contracts				
YEN currency	1,441,775	-	77,402	77,402
USD currency	12,379,615	624,689	985,518	1,610,207
	<u>15,510,575</u>	<u>834,285</u>	<u>1,129,504</u>	<u>1,963,789</u>
<b>Payable per currency swap contracts</b>				
Cross Currency Swap Contracts				
YEN currency	945,000	-	(76,899)	(76,899)
Cross Currency Interest Rate Swap Contracts				
YEN currency	14,315,950	(480,078)	(1,618,798)	(2,098,876)
	<u>15,260,950</u>	<u>(480,078)</u>	<u>(1,695,697)</u>	<u>(2,175,775)</u>
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 20, 2015				
	Notional amount 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 August 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	-	654,052
14/07/2011	14/07/2016	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.30	Semi-annual	536,009	490,539
16/12/2011	16/12/2016	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.80	Semi-annual	714,678	654,052
30/08/2012	30/08/2017	30	USD	1,000,000	30,000,000	USD-LIBOR 3M	Quarterly	1,072,017	981,078
13/09/2012	13/09/2017	20	USD	1,000,000	20,000,000	USD-LIBOR 3M + 0.20	Quarterly	714,678	654,052
24/07/2013	29/07/2018	17	USD	1,000,000	17,000,000	USD-LIBOR 6M + 0.01	Semi-annual	607,476	555,944
29/11/2013	29/11/2018	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.05	Semi-annual	1,072,017	981,078
28/03/2014	28/03/2019	30	USD	1,000,000	30,000,000	USD-LIBOR 6M	Semi-annual	1,072,017	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	536,009	490,539
27/03/2015	27/03/2019	22	YEN	100,000,000	2,200,000,000	JPY-TIBOR 6M + 0.36	Semi-annual	636,607	-
								8,161,508	7,642,412
<u>Less</u> Debenture issuance cost								(66,358)	(79,400)
								8,095,150	7,563,012
<u>Less</u> Current portion of long-term debentures								(533,960)	(652,646)
<b>Total long-term debentures</b>								<b>7,561,190</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 swap contracts and cross currency interest rate swap contracts to hedge its debt as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS "Unaudited"				
As at August 20, 2015				
	Notional amount Baht '000	Less than 1 year Baht '000	Carrying amount 1 - 5 years Baht '000	Total Baht '000
<b>Receivable per currency interest rate swap contracts</b>				
Cross Currency Interest Rate Swap Contracts				
YEN currency	596,860	-	39,747	39,747
USD currency	5,586,900	79,559	658,442	738,001
	6,183,760	79,559	698,189	777,748

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
As at February 20, 2015

	Notional amount	Carrying amount		Total
	Baht '000	Less than 1 year	1 - 5 years	
		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 August 20, 2015	As at 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	2,465,020	2,960,000
				<u>2,465,020</u>	<u>2,960,000</u>

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

As at August 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 and six-month periods ended August 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 FINANCIAL STATEMENTS			
	For the three-month periods ended August 20,		For the six-month periods ended August 20,	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Current service cost	4,345	3,328	8,710	6,651
Interest cost	603	628	1,193	1,260
Total	<u>4,948</u>	<u>3,956</u>	<u>9,903</u>	<u>7,911</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month periods ended August 20,		For the six-month periods ended August 20,	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Current service cost	3,104	2,891	6,933	5,782
Interest cost	447	579	999	1,157
Total	<u>3,551</u>	<u>3,470</u>	<u>7,932</u>	<u>6,939</u>

Movements in the present value of the post-employment benefit obligations for the six-month periods ended August 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
Current service cost	8,710	6,651	6,933	5,782
Interest cost	1,193	1,260	999	1,157
Benefit paid/ decrease	(991)	(1,557)	(18,806)	(1,557)
Ending balance	<u>85,132</u>	<u>65,307</u>	<u>60,472</u>	<u>58,931</u>

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

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

	SEPARATE FINANCIAL STATEMENTS "Unaudited"	
	As at August 20, 2015	As at February 20, 2015
	% per annum	% per annum
Financial assumptions		
Discount rate	3.44	3.44 - 3.67
Turnover rate		
Monthly staff	0.0 - 19.0	0.0 - 19.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 47.0	0.0 - 47.0
	Subject to range of age of employees	Subject to range of age of employees
Temporary staff	0.0 - 64.0	0.0 - 64.0
	Subject to range of age of employees	Subject to range of age of employees
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 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.
- 16.4 On 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 has already registered the completion of the liquidation process with Department of Business Development, Ministry of Commerce, and repaid the share capital to the Company and shareholder attributed non-controlling interests amounting of Baht 0.01 million and Baht 0.03 million, respectively, on June 17, 2015 (see Notes 6.5 and 7.2).
- 16.5 Under the Securitization project, the subsidiaries have to pay dividend to their shareholders from all remaining amounts after deducting the required accumulated reserves and payment of all fees and expenses. The subsidiaries appropriate interim dividends on a monthly basis at each Monthly Purchase Date as an appropriation of net profit after income tax of each month.

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



## 17. REVENUE RELATING TO SECURITIZATION TRANSACTION

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

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

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month		For the six-month	
	periods ended August 20,		periods ended August 20,	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Credit Card Income				
Interest income from subordinated lending	42,325	42,326	83,271	83,271
Revenue from seller loan in				
Special Purpose Vehicle	9,003	4,995	12,935	9,569
Dividend from investment in				
Special Purpose Vehicle	44,962	17,279	95,226	60,127
Servicing income	69,278	70,014	134,626	137,739
Total	<u>165,568</u>	<u>134,614</u>	<u>326,058</u>	<u>290,706</u>

## 18. DIRECTORS AND MANAGERMENTS' REMUNERATION

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

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month		For the six-month	
	periods ended August 20,		periods ended August 20,	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Managements' remuneration	29,145	26,873	54,551	49,267
Directors' remuneration	4,905	8,668	10,780	12,934
Post-employment benefits	710	773	1,420	1,545
	<u>34,760</u>	<u>36,314</u>	<u>66,751</u>	<u>63,746</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month		For the six-month	
	periods ended August 20,		periods ended August 20,	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Managements' remuneration	15,864	19,782	30,291	34,777
Directors' remuneration	5,000	6,990	10,000	9,650
Post-employment benefits	467	487	933	974
	<u>21,331</u>	<u>27,259</u>	<u>41,224</u>	<u>45,401</u>

For the three-month and six-month periods ended August 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 and six-month periods ended August 20, 2015 and 2014. Foreign subsidiaries used 20% - 25% and 20% - 30% for corporate income tax calculation for the three-month and six-month periods ended August 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 and six-month periods ended August 20, 2015 and 2014. Foreign subsidiaries used 20% - 25% and 20% - 30% for calculation of deferred tax for the three-month and six-month periods ended August 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 and six-month periods ended August 20, 2015 and 2014, income tax consists of:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month		For the six-month	
	periods ended August 20,		periods ended August 20,	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the period	218,538	265,583	337,953	397,596
Deferred income tax expense (revenue)	(36,990)	(94,645)	(24,390)	(76,812)
Income tax expense per statements of profit or loss	<u>181,548</u>	<u>170,938</u>	<u>313,563</u>	<u>320,784</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month		For the six-month	
	periods ended August 20,		periods ended August 20,	
	2015	2014	2015	2014
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the period	189,778	239,285	284,292	347,641
Deferred income tax expense (revenue)	(32,608)	(86,352)	(20,346)	(68,618)
Income tax expense per statements of profit or loss	<u>157,170</u>	<u>152,933</u>	<u>263,946</u>	<u>279,023</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS							
	For the three-month periods ended August 20,				For the six-month periods ended August 20,			
	2015		2014		2015		2014	
Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	
Baht '000	%	Baht '000	%	Baht '000	%	Baht '000	%	
Profit before income tax expense	<u>914,296</u>		<u>844,899</u>		<u>1,569,730</u>		<u>1,580,844</u>	
Income tax at the tax rate	182,663	20.00 - 25.00	168,397	20.00 - 30.00	311,923	20.00 - 25.00	314,941	20.00 - 30.00
<u>Add</u> Tax effect of income and expense that are not exempt for tax purposes	(1,045)	(0.11)	2,641	0.31	1,813	0.12	6,091	0.39
<u>Less</u> Tax effect of income and expense that are exempt for tax purposes	(70)	(0.01)	(100)	(0.01)	(173)	(0.01)	(248)	(0.02)
Income tax expenses per statements of profit or loss	<u>181,548</u>	<u>19.86</u>	<u>170,938</u>	<u>20.23</u>	<u>313,563</u>	<u>19.98</u>	<u>320,784</u>	<u>20.29</u>

	SEPARATE FINANCIAL STATEMENTS							
	For the three-month periods ended August 20,				For the six-month periods ended August 20,			
	2015		2014		2015		2014	
Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	
Baht '000	%	Baht '000	%	Baht '000	%	Baht '000	%	
Profit before income tax expense	<u>829,432</u>		<u>781,803</u>		<u>1,503,037</u>		<u>1,506,733</u>	
Income tax at the tax rate	165,886	20.00	156,361	20.00	300,607	20.00	301,347	20.00
<u>Add</u> Tax effect of income and expense that are not exempt for tax purposes	347	0.04	337	0.04	699	0.05	740	0.05
<u>Less</u> Tax effect of income and expense that are exempt for tax purposes	(9,063)	(1.09)	(3,765)	(0.48)	(37,360)	(2.49)	(23,064)	(1.53)
Income tax expenses per statements of profit or loss	<u>157,170</u>	<u>18.95</u>	<u>152,933</u>	<u>19.56</u>	<u>263,946</u>	<u>17.56</u>	<u>279,023</u>	<u>18.52</u>

## 20. TRANSACTIONS WITH RELATED PARTIES

The consolidated and separate financial statements include certain transactions with the subsidiaries, associates 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 August 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
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	320,344.4	80.00	252,960.0	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	276,769.1	100.00	276,769.1	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>955,609.6</u>	<u>720,255.0</u>
<b>Total investments in associates and subsidiaries</b>				<u>972,448.4</u>	<u>737,074.3</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 August 20, 2015 Baht '000	As at February 20, 2015 Baht '000	“Unaudited” As at August 20, 2015 Baht '000	As at February 20, 2015 Baht '000
<b>Other receivables</b>					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	162,998	154,527
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	137	238
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	129,558	739
AEON Financial Service Company Limited	Major shareholder	7,853	5,525	7,853	5,525
AEON Credit Service Company Limited	Common ultimate holding company	11	4	11	4
ACS Capital Corporation Limited	Shareholder and one common director	1	3,994	1	14
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	-	186	-	186
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	70	-	70	98
AEON (Thailand) Company Limited	Holding shares and two common directors	-	6	29	6
AEON Microfinance (Myanmar) Private Company Limited	Subsidiary	7	-	7	-
		<u>7,942</u>	<u>9,715</u>	<u>300,664</u>	<u>161,337</u>

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
		As at August 20, 2015 Baht '000	As at February 20, 2015 Baht '000	As at August 20, 2015 Baht '000	As at February 20, 2015 Baht '000
<b>Seller loan in Special Purpose Vehicle for Securitization</b> (see Note 8)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,288,946	232,008
<b>Subordinated lending</b> (see Note 9)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	1,399,352	1,399,352	1,399,352	1,399,352
<b>Short-term loan</b> (see Note 12)					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	-	50,000
<b>Long-term loan</b> (see Note 13)					
AEON Bank Ltd.	Common ultimate holding company	1,440,039	1,378,089	1,440,039	1,378,089
<b>Accounts payable</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	119,310	117,120
<b>Other payables</b>					
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	44
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	44	44
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	654,872	171,354
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	6,455	7,869
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	112,148	31,585
AEON (Thailand) Company Limited	Holding shares and two common directors	-	83	-	83
AEON Financial Service Company Limited	Major shareholder	66,720	39,297	66,720	39,297
AEON Credit Service Company Limited	Common ultimate holding company	17,113	21,313	7,747	9,997
AEON Credit Service Systems (Philippines) Inc.	Holding shares	1,246	287	943	-
AEON Bank Ltd.	Common ultimate holding company	258	1,217	-	1,217
ACS Capital Corporation Limited	Shareholder and one common director	3,932	-	3,786	-
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	561	-	-	-
		89,830	62,197	852,715	261,490
<b>Deferred Revenue</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	705	826
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	8,407	9,643
ACS Capital Corporation Limited	Shareholder and one common director	-	514	445	514
		-	514	9,557	10,983

## 20.2.2 Transactions with related parties

		CONSOLIDATED FINANCIAL STATEMENTS			
Related parties	Relationship	For the three-month periods ended August 20,		For the six-month periods ended August 20,	
		2015	2014	2015	2014
		Baht '000	Baht '000	Baht '000	Baht '000
<b>Other income</b>					
ACS Capital Corporation Limited	Shareholder and one common director	3,882	3,921	7,760	7,619
<b>Operating and administrative expenses</b>					
<b>Others</b>					
AEON Financial Service Company Limited	Major shareholder	15,161	15,905	27,966	29,769
AEON Credit Service Company Limited	Common ultimate holding company	11,115	7,338	22,483	13,456
AEON (Thailand) Company Limited	Holding shares and two common directors	5,525	3,423	8,877	7,359
ACS Capital Corporation Limited	Shareholder and one common director	11,550	11,157	22,403	21,561
AEON Credit Service Systems (Philippines) Inc.	Holding shares	4,067	3,038	6,758	11,790
		<u>47,418</u>	<u>40,861</u>	<u>88,487</u>	<u>83,935</u>
<b>Dividend paid</b>					
ACS Capital Corporation Limited	Shareholder and one common director	88,800	88,800	88,800	88,800
AEON Financial Service Company Limited	Major shareholder	162,430	162,430	162,430	162,430
		<u>251,230</u>	<u>251,230</u>	<u>251,230</u>	<u>251,230</u>
<b>Purchase of computer software</b>					
AEON Credit Service Systems (Philippines) Inc.	Holding shares	796	-	796	5,643

		SEPARATE FINANCIAL STATEMENTS			
Related parties	Relationship	For the three-month periods ended August 20,		For the six-month periods ended August 20,	
		2015	2014	2015	2014
		Baht '000	Baht '000	Baht '000	Baht '000
<b>Sale promotion income</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	3,124	2,249	6,109	4,226
<b>Revenue relating to securitization transaction</b> (including in credit card income)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	165,568	134,614	326,058	290,706
<b>Other income</b>					
ACS Capital Corporation Limited	Shareholder and one common director	3,882	3,921	7,536	7,619
AEON Insurance Service (Thailand) Company Limited	Subsidiary	15,562	7,041	32,859	12,732
ACS Servicing (Thailand) Company Limited	Subsidiary	637	783	1,255	1,514
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	-	95	-	192
		<u>20,081</u>	<u>11,840</u>	<u>41,650</u>	<u>22,057</u>
<b>Operating and administrative expenses</b>					
<b>Collection service fee</b>					
ACS Servicing (Thailand) Company Limited	Subsidiary	338,882	91,253	503,918	166,798
<b>Others</b>					
AEON Financial Service Company Limited	Major shareholder	15,161	15,905	27,966	29,769
AEON Credit Service Company Limited	Common ultimate holding company	4,083	4,084	8,628	6,807
AEON (Thailand) Company Limited	Holding shares and two common directors	5,525	3,423	8,877	7,359
AEON Insurance Service (Thailand) Company Limited	Subsidiary	1,074	70	1,396	70
ACS Capital Corporation Limited	Shareholder and one common director	10,981	10,877	21,499	21,012
AEON Credit Service Systems (Philippines) Inc.	Holding shares	3,503	3,038	5,747	11,790
		<u>379,209</u>	<u>128,650</u>	<u>578,031</u>	<u>243,605</u>

		SEPARATE FINANCIAL STATEMENTS			
		For the three-month periods ended August 20,		For the six-month periods ended August 20,	
Related parties	Relationship	2015	2014	2015	2014
		Baht '000	Baht '000	Baht '000	Baht '000
<b>Dividend received</b>					
AEON Insurance Service (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>Dividend paid</b>					
ACS Capital Corporation Limited	Shareholder and one common director	88,800	88,800	88,800	88,800
AEON Financial Service Company Limited	Major shareholder	162,430	162,430	162,430	162,430
		<u>251,230</u>	<u>251,230</u>	<u>251,230</u>	<u>251,230</u>
<b>Purchase of computer programs</b>					
AEON Credit Service Systems (Philippines) Inc.	Holding shares	-	-	-	5,173

- Other income for the three-month and six-month periods ended August 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 August 20, 2015					
	Retail finance services		Other domestic	Elimination	Total
	Domestic Baht '000	Foreign Baht '000	business Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	4,287,611	82,087	173,100	-	4,542,798
Inter - segment revenues	-	-	355,498	(355,498)	-
	<u>4,287,611</u>	<u>82,087</u>	<u>528,598</u>	<u>(355,498)</u>	<u>4,542,798</u>
Expenses					
Operating and administrative expenses	1,669,819	68,157	456,715	(352,017)	1,842,674
Directors and managements' remuneration					
Bad debts and doubtful accounts	1,197,813	6,097	-	-	1,203,910
Finance cost	579,314	3,334	-	-	582,648
Total expenses	<u>3,446,946</u>	<u>77,588</u>	<u>456,715</u>	<u>(352,017)</u>	<u>3,629,232</u>
Share of profit from investment in associates	-	730	-	-	730
Net income (loss) before income tax expense	840,665	5,229	71,883	(3,481)	914,296
Income tax expense	168,408	3,310	9,830	-	181,548
Net income (loss) for the period	<u>672,257</u>	<u>1,919</u>	<u>62,053</u>	<u>(3,481)</u>	<u>732,748</u>

CONSOLIDATED FINANCIAL STATEMENTS					
For the three-month period ended August 20, 2014					
	Retail finance services		Other Domestic	Elimination	Total
	Domestic Baht '000	Foreign Baht '000	Business Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	4,449,259	47,212	145,109	-	4,641,580
Inter - segment revenues	-	-	91,979	(91,979)	-
	<u>4,449,259</u>	<u>47,212</u>	<u>237,088</u>	<u>(91,979)</u>	<u>4,641,580</u>
Expenses					
Operating and administrative expenses	1,607,353	37,009	173,859	(91,516)	1,726,705
Directors and managements' remuneration	27,258	6,351	2,705	-	36,314
Bad debts and doubtful accounts	1,437,054	3,606	-	-	1,440,660
Finance cost	591,472	1,990	3	(463)	593,002
Total expenses	<u>3,663,137</u>	<u>48,956</u>	<u>176,567</u>	<u>(91,979)</u>	<u>3,796,681</u>
Net income (loss) before income tax expense	786,122	(1,744)	60,521	-	844,899
Income tax expense	157,253	1,721	11,964	-	170,938
Net income (loss) for the period	<u>628,869</u>	<u>(3,465)</u>	<u>48,557</u>	<u>-</u>	<u>673,961</u>



**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the six-month period ended August 20, 2015**

	<b>Retail finance services</b>		<b>Other domestic business</b>	<b>Elimination</b>	<b>Total</b>
	<b>Domestic</b>	<b>Foreign</b>			
	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
<b>Revenues</b>					
Revenue from external customers	8,299,513	126,564	304,975	-	8,731,053
Inter - segment revenues	-	27,799	605,717	(633,516)	-
	<u>8,299,513</u>	<u>154,363</u>	<u>910,693</u>	<u>(633,516)</u>	<u>8,731,053</u>
<b>Expenses</b>					
Operating and administrative expenses	3,274,322	128,198	783,652	(538,258)	3,647,914
Directors and managements' remuneration					
Bad debts and doubtful accounts	2,347,683	11,225	-	-	2,358,908
Finance cost	1,150,654	6,327	-	(227)	1,156,754
Total expenses	<u>6,772,659</u>	<u>145,750</u>	<u>783,652</u>	<u>(538,485)</u>	<u>7,163,576</u>
Share of profit from investment in associates	-	2,253	-	-	2,253
Net income (loss) before income tax expense	<u>1,526,854</u>	<u>10,866</u>	<u>127,041</u>	<u>(95,031)</u>	<u>1,569,730</u>
Income tax expense	287,753	6,667	19,143	-	313,563
Net income (loss) for the period	<u><u>1,239,101</u></u>	<u><u>4,199</u></u>	<u><u>107,898</u></u>	<u><u>(95,031)</u></u>	<u><u>1,256,167</u></u>

**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the six-month period ended August 20, 2014**

	<b>Retail finance services</b>		<b>Other Domestic business</b>	<b>Elimination</b>	<b>Total</b>
	<b>Domestic</b>	<b>Foreign</b>			
	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
<b>Revenues</b>					
Revenue from external customers	8,286,481	86,621	228,647	-	8,601,749
Inter - segment revenues	-	-	228,726	(228,726)	-
	<u>8,286,481</u>	<u>86,621</u>	<u>457,373</u>	<u>(228,726)</u>	<u>8,601,749</u>
<b>Expenses</b>					
Operating and administrative expenses	3,087,956	68,716	334,429	(175,355)	3,315,746
Directors and managements' remuneration	45,401	10,657	7,688	-	63,746
Bad debts and doubtful accounts	2,479,956	7,016	-	-	2,486,972
Finance cost	1,151,385	3,504	15	(463)	1,154,441
Total expenses	<u>6,764,698</u>	<u>89,893</u>	<u>342,132</u>	<u>(175,818)</u>	<u>7,020,905</u>
Net income (loss) before income tax expense	<u>1,521,783</u>	<u>(3,272)</u>	<u>115,241</u>	<u>(52,908)</u>	<u>1,580,844</u>
Income tax expense	294,059	3,960	22,765	-	320,784
Net income (loss) for the period	<u><u>1,227,724</u></u>	<u><u>(7,232)</u></u>	<u><u>92,476</u></u>	<u><u>(52,908)</u></u>	<u><u>1,260,060</u></u>

## 21.2 Financial position classified by business

CONSOLIDATED FINANCIAL STATEMENTS					
“Unaudited”					
As at August 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	57,881,869	1,084,456	370,452	(371,909)	58,964,868
Leasehold improvement and equipment and intangible assets	1,277,974	149,350	240,590	-	1,667,914
Other assets	7,832,145	137,349	497,807	(953,680)	7,513,621
Total assets	<u>66,991,988</u>	<u>1,371,155</u>	<u>1,108,849</u>	<u>(1,325,589)</u>	<u>68,146,403</u>
Total liabilities	<u>56,014,614</u>	<u>729,785</u>	<u>488,866</u>	<u>(384,140)</u>	<u>56,849,125</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 August 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 August 20, 2015 and February 20, 2015, the Company has unused overdraft facilities with various banks totaling Baht 295.10 million and Baht 655.10 million, respectively. Such overdraft facilities are unsecured.
- 22.3 As at August 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 August 20, 2015 and February 20, 2015, the subsidiaries have letters of guarantee issued by banks in the amounts of Baht 3.88 million and Baht 3.93 million, respectively.
- 22.5 As at August 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 August 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 0.78 million.

### **23. SALES OF WRITTEN-OFF ACCOUNTS RECEIVABLE**

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

During the year ended February 20, 2015, the Company has already received cash proceeds of the remaining balance as specified in the agreement.

23.2 On August 19, 2015, the Company sold written-off accounts receivable under loan agreements, hire-purchase agreements and credit card agreements by a bidding process to a local company (the “buyer”) with the purchase price of Baht 190.67 million and the value-added tax of hire-purchase receivables of Baht 0.09 million, totaling Baht 190.79 million. At the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement sets out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off accounts receivable under loan agreements and credit card agreements. As at August 19, 2015, the closing date as specified in the agreement, the Company received the initial payment of Baht 47.69 million from the purchaser. The purchaser agrees to pay the remaining amount of purchase price amounting to Baht 143.07 million in three installments of Baht 47.69 million per each, on September 20, 2015, October 20, 2015 and the delivery date, respectively. The Company recognized income from sale of written-off accounts receivable of Baht 190.67 million in the consolidated and separate statements of profit or loss for the three-month and six-month periods ended August 20, 2015 and recorded outstanding receivables of Baht 143.07 million as other receivables in the consolidated and separate statements of financial position as at August 20, 2015.

On September 20, 2015, the Company has already received cash proceeds of Baht 47.69 million as specified in the agreement.

Under the Asset Sale and Purchase Agreement, the buyer was entitled to claim damages from the Company from sales of loans receivable in events the buyer did not have lawful title over loans receivable or loan agreement, hire-purchase agreement and credit card agreement were not legal as specified in the agreement. The claim was to be settled with the final payment which the Company would receive from the buyer. However, the Company believed that such damage was not significant, therefore, the Company had not recorded such claim in the financial statements for the three-month and six-month periods ended August 20, 2015. In addition, if the buyer wished to sell or transfer loan that were intended to be a portfolio sale to a third party, the Company was entitled to a right to first negotiate with the buyer with regard to a purchase of the portfolio before any third party. If the negotiation did not conclude within three months or the Company decided not to make a purchase, the buyer might sell such loan to a third party.

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

These interim financial statements have been approved for issuing by the Company's authorized director and the Audit Committee on September 22, 2015.

(Translation)

## Management Discussion and Analysis for the 2<sup>nd</sup> Quarter ended August 20, 2015

AEON Thana Sinsap (Thailand) Public Company Limited (“The Company”) has already submitted the reviewed Q2/2015 financial statements as of August 20, 2015 which were reviewed by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The operating performance is summarized as follows;

### Overview

In the second quarter of 2015, Thai economic grew by 2.8%, while it was 3.0% increase in the first quarter of 2015. This was mainly from the agricultural sector dropped after the drought and the private consumption sector has fallen. Meanwhile, the recovery of export sector has been slowing down mainly due to the deceleration in key trading partners’ economies. In addition, In August 2015, the bomb explosion at Rachaprasong affected the tourism sector.

As of August 20, 2015, the Company’s total cards reached 7.39 million cards (including 2.29 million credit cards and 5.10 million member cards), net increasing by 166,700 cards from February 20, 2015. Covering networks nationwide, the Company has 117 branches, 468 ATMs and over 16,800 member dealers to provide financial services to AEON cardholders.

### Summary of Operation Results

#### 1. Operating Results

##### Revenues

In the first half of fiscal year 2015, revenues amounted to 8,731 million baht, showing an increase of 129 million baht or 2% from the same period last year. The Company reported 4,543 million baht of total consolidated revenues in Q2/2015, decreasing by 99 million baht or 2% y-y and increasing by 8% q-q. This was mainly from decrease in other income. However, if we exclude gain on sale of written off account receivables, our revenues increase 5% from the same period of last year. As of August 20, 2015, the Company has active billings of 3.46 million per month with active customers of 2.26 million, mainly from Bangkok 33%, and in up-country 67%. Details of each business can be described as follows:

#### **- Credit Card**

In the first half of 2015, credit cards turnover comprised of 47% of total turnovers, with an income of 3,227 million baht, increasing by 9% y-y. For the second quarter of 2015, credit card income reached 1,640 million baht, increasing by 9% y-y and 3% q-q. This was due to the fact that the Company has continued privileges and campaigns to AEON credit cardholders such as joint sale promotion with a leading brand, cash back rewards program and organize an award ceremony etc. Focusing on card recruitment activities, the Company has encouraged card application on AEON card recruitment events through the Company's website and dealer network nationwide.

#### **- Loans**

In the first half of 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. through more than 16,800 dealers nationwide) with the revenues of 4,342 million baht, increasing by 2% y-y. For the second quarter, loans income amounted to 2,225 million baht, increasing by 1% y-y and 5% q-q. The increase was mainly from growth of revolving loan "Your Cash" and loan income from AEON Microfinance (Myanmar) Company Limited and AEON Microfinance (Cambodia) Private Company Limited. In addition, The Company expanded more service channels providing more convenience to customers and this also saved the Company's operation cost. In August 2015, the Company joined with Government Saving Bank (GSB) and launched cashing channel "Your cash" service through more than 6,000 GSB's ATMs nationwide for AEON member card. Therefore, AEON members can utilize the revolving loans service through many service channels; besides AEONTS ATMs, other major bank ATMs i.e. Kasikorn, Thanachart, Bangkok Bank, Krungsri, Krungthai, GSB, Counter Service through 7-11 nationwide and they can also transfer and receive cash through Thailand Post Office nationwide.

#### **- Hire Purchase**

In the first half of 2015, motorcycle hire purchase in Thailand and electrical appliances, mobile phone and etc. in oversea business, sharing 1% of total turnovers with revenues of 211 million baht, increasing by 7% y-y. In Q2/2015, revenues from hire purchase were 107 million baht, increasing by 6% y-y. This was mainly contributed from hire purchase income from Cambodia of 91 million baht, increasing by 31% 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 Kawasaki as well as increased distribution channels for motorcycle sales through our branches.

#### **- Others**

In the first half of 2015, the Company recorded income from others at 951 million baht, representing 11% of total revenues. The majority of other incomes came from bad debt recovery of 288 million baht which accounted for 3% of total revenues and gain on sales of written-off accounts receivable of 191 million baht. Moreover, others income also included the income from company's subsidiaries in Thailand such as commission income of 236 million baht from AEON Insurance Service (Thailand) Co., Ltd. and collection service income of 84 million baht from ACS Servicing (Thailand) Co., Ltd. and others accordingly. The Company has planned to generate more fee base incomes in the future.

#### **Expenses**

In the first half of 2015, the consolidated expenses amounted to 7,164 million baht increasing by 143 million baht or 2% y-y. For the second quarter, the consolidated expenses were 3,629 million baht, decreasing by 167 million baht or 4% from the same period last year. Details of major expenses can be described as follows:

#### **- Operating and Administrative Expenses**

For the first half 2015, consolidated operating and administrative expenses were 3,648 million baht, increasing by 8% y-y and represented 42% of total revenues. In Q2/2015, the consolidated operating and administrative expenses were 1,843 million baht, increasing by 5% y-y and represented 41% of total revenues. The expenses has increased due to a business expansion of the oversea subsidiaries, increase in personal expenses in line with higher staff compensation, advertising expenses and transfer collection department to ACS Servicing (Thailand). Considering the Company's financial statement, the operating and administrative expenses as a percentage of revenues decreased to 40% in Q2/2015 compared to 41% in Q1/2015.

#### **- Bad Debts and Doubtful Accounts**

The consolidated bad debts and doubtful accounts, in the first half 2015, amounted to 2,359 million baht, decreasing by 5% y-y. For the second quarter, the Company recorded bad debts and doubtful accounts of 1,204 million baht, decreasing by 16% y-y. Mainly came from efficiency improvement in collection and credit judgment.

## **- Finance Cost**

The Company recorded finance cost of 1,157 million baht for first six-month period, increasing by 0.2% from the same period last year. For the second quarter, finance cost was 583 million baht, decreasing by 2% y-y. Key factors were well-managed funding cost. However, finance cost in the second half 2015 accounted for 13% of total revenues, the same level as last year. The Company manages liquidity risk and interest rates fluctuation risk by mainly locking in long-term borrowing, represented 68% of total borrowing and weight average funding cost at 4.25% in Q2/2015.

## **Net Profit**

In the second quarter of 2015, the Company had consolidated operating income of 914 million baht, and reported net profit attributed to owners of the parent of 731 million baht, increasing by 57 million baht or 8% y-y or 2.93 baht per share. For six-month period this year, net profit was 1,255 million baht or 5.02 baht per share. In addition, the Company recorded share of profit by 2 million baht from ACS Trading Vietnam Co., Ltd., the associated company by the equity method.

## **2. Financial Status**

### **Total Assets**

As of August 20, 2015, the Company had 68,146 million baht of consolidated total assets, showing an increase of 3,754 million baht or 6% from February 20, 2015. The increase of assets was mainly driven by growth of accounts receivable from business expansion. Net accounts receivable was 86% of total assets.

### **-Accounts Receivable**

The Company had consolidated accounts receivable of 61,134 million baht, increasing by 4% from that of 58,914 million baht at the end of fiscal year 2014, driven by credit card receivable. These can be categorized by credit card business of 23,557 million baht, loans business of 35,893 million baht, hire purchase business of 1,588 million baht and others of 96 million baht. However, including credit card receivable under securitization of 3,864 million baht which was off balance sheet, total accounts receivable were 64,998 million baht, increasing by 3% from the end of fiscal year 2014.

Due to the Company's sustainable collection result, as of August 20, 2015, the Company provided allowance for doubtful accounts of 2,574 million baht or 4.21% of total accounts receivable, comparing to that of 4.12% at the end of previous fiscal year. The percentage account receivable 3 months overdue or non-performing loan ratio was 3.50% at August 20, 2015.



## **Liabilities**

The Company consolidated total liabilities were 56,849 million baht at the end of the Q2/2015, showing an increase of 2,902 million baht or 5% from the end of fiscal year 2014. This was due to 7% increase in the total borrowings to 52,348 million baht. The portion of long-term borrowings was 35,351 million baht or 68% of total borrowings.

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

## **Shareholder Equity**

The Company's shareholder equity reached 11,297 million baht, showing an increase of 852 million baht or 8% from the end of fiscal year 2014. Consequently, Book value as of August 20, 2015 was 45.2 baht per share, increasing from that of 41.8 baht per share as of February 20, 2015.

For six-month period 2015, the Company recorded return on equity (ROE) at 23.1% and return on asset (ROA) at 3.8% and equity ratio of 16.6%. Debt to Equity ratio as of August 20, 2015 slightly decreased to 5.0 times from 5.2 times as of February 20, 2015.

The Company also announced interim dividend payment for the first-half of fiscal year 2015 at the rate of 1.60 baht per share to the shareholders on October 21, 2015. The record date to determine the names of the shareholders who have the rights to receive the dividend and the closing date of the shareholders registration book, pursuant to section 225 of the Securities and Exchange Act shall be on October 8, 2015 and October 9, 2015, respectively.

(Translation)

No. 24/2015

September 23, 2015

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 5/2015

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby reported the resolutions passed at the meeting of the Board of Directors No. 5/2015, held on September 23, 2015, from 10.00 a.m. as follows:

1. Unanimously approved the 1<sup>st</sup> half-year of Company's performance (February 21, 2015 – August 20, 2015);
2. Unanimously approved the consolidated reviewed 2<sup>nd</sup> quarter financial statements and six-month period of the Company ended August 20, 2015;
3. Unanimously approved interim dividend payment for the first-half of fiscal year 2015 (February 21, 2015 - August 20, 2015). The dividends will be paid at the rate of 1 Baht 60 satang per share, totaling 400,000,000 baht or 31.88% payout ratio. The shareholder register book for the right to receive dividends shall be recorded on October 8, 2015 and also, October 9, 2015 shall be the book closing date in which the shareholder list as specified in section 225 of the Securities and Exchange Act shall be complied. The Company will pay dividend on October 21, 2015.
4. Approved the related transactions with the related companies (Details as attachment)

Please be informed accordingly

Yours sincerely,

Yasuhiko Kondo  
Managing Director

### Connected transactions

The Board of Director's meeting of AEON Thana Sinsap (Thailand) Plc. No.5/2015 held on September 23, 2015 had a resolution of the connected transaction as follows:

Date of agreement:

Company	Date of agreement
AEON Financial Service Co., Ltd. ("AFS")	Within March 31, 2016 (Agreement period is one year from April 2015 to March 2016)

Contractual parties with AEONTS and its subsidiaries companies:

Company	Business	Relationship with AEONTS
AFS	Finance	-Major shareholder of AEONTS, holding 35.12% of AEONTS' s shares -Major shareholder of ACS Capital -Major shareholder of AEON Systems

General characteristics of transactions:

AFS and AEONTS enter into "Business Administration Agreement" and pays fee amount of not more than 80 million baht

AFS will provide the business administration and support to the listed oversea subsidiaries (AFS subsidiaries in Hong Kong, Thailand and Malaysia) in order to grow and develop AFS subsidiaries' business.

AEONTS enters into "Business Administration Agreement" and pays fee to AFS for the amount of not more than 80 million baht. This amount was calculated based on the cost (labor cost, administration cost, equipment cost etc.) of AFS who works for subsidiaries including overseas business, and the cost is allocated to the subsidiaries of AFS group.

Value of consideration:

Related company name	Amount (Baht)
AFS	80,000,000

**Name, position and shareholding proportion of the connected persons:**

Related company name	Paid Up Capital No. of shares	Name of connected persons	Share (s) in related company	% of share in AEONTS
AFS	30,421,500,000 JPY/ 208,499,435 shares	Mr. Hideki Wakabayashi*	-	-

*\*Mr. Hideki Wakabayashi is the Chairman of Board of Directors of AEONTS, and the Director of AFS*

**The measurement of total transactions:**

By measurement in percentage of the Company Net Tangible Assets (NTA), total transaction is 80 million baht or 0.76% which more than 0.03% but less than 3.00% of NTA of the Company. So this transaction is the connected transaction pursuant to the Notifications which shall be approved by Audit Committee and Board of Director as well as disclose to the Stock Exchange of Thailand.

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

- Board of Directors' meeting No. 3/2015 held on 20<sup>th</sup> April, 2015, and AEONTS approved the capital increase transaction in AEON Microfinance (Cambodia) Co., Ltd. subscribed by AEON Thana Sinsap (Thailand) Plc. (AEONTS) and AEON Financial Service Co., Ltd, total transaction is not more than 64.96 million baht or 0.75% of NTA of the Company.
- Audit Committee meeting held on 17<sup>th</sup> September, 2015, acknowledge the transaction between Company's subsidiaries (AEON Microfinance (Cambodia) Co., Ltd., AEON Leasing Service (Lao) Company Limited, AEON Microfinance (Myanmar) Company Limited and AEON Credit Service Systems (Philippines) for hire-purchase system enhancement with the amount of 2.57 million baht or 0.024% of NTA of the Company.

So the total connected transaction approved by the Board of Directors' meeting in the last six months period including this time was 147.53 million baht or 1.53% which more than 0.03% of the Company NTA but less than 3% of NTA of the Company.

**Opinion of the Audit Committee:**

The Audit Committee has approved the transactions in principle and agree method of calculation is based on overseas expenses of AFS.

**Opinion of the Board of Director:**

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