

**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 31, 2016 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
October 5, 2016

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 31, 2016

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at August 31, 2016	As at February 29, 2016	As at August 31, 2016	As at February 29, 2016
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5.1	4,049,774	3,808,571	3,461,761	3,129,591
Accounts receivable and other receivables					
Accounts receivable	6	62,530,730	59,560,348	61,959,414	56,801,824
Other receivables		712,640	810,012	702,002	880,433
Seller loans in Special Purpose Vehicles for Securitization due within one year	9	-	-	44,401	2,556,675
Subordinated lendings due within one year	10.1	-	1,399,352	-	1,399,352
Receivables per currency swap contracts	13 and 15	462,249	848,201	462,249	848,201
Short-term loan to a related party	7	-	-	100,000	100,000
Other current assets		73,912	42,010	40,315	39,732
Total Current Assets		<u>67,829,305</u>	<u>66,468,494</u>	<u>66,770,142</u>	<u>65,755,808</u>
NON-CURRENT ASSETS					
Accounts receivable	6	1,544,738	1,329,984	487,160	617,854
Fixed deposits at banks under obligations		27,530	34,237	-	-
Investment in associate	8.1 and 8.2	41,287	41,245	16,819	16,819
Investments in subsidiaries	8.2	-	-	957,412	957,412
Other long-term investments					
Related companies	8.3	26,717	26,717	26,717	26,717
Subordinated lendings	10.1	-	-	38,148	29,870
Leasehold improvement and equipment		885,907	949,732	666,684	717,517
Intangible assets		594,573	650,434	440,814	495,094
Receivables per currency swap contracts	13 and 15	2,332,915	2,312,832	2,332,915	2,312,832
Deferred tax assets	11	417,233	459,099	409,219	427,018
Other non-current assets		193,430	178,395	164,990	150,585
Total Non-Current Assets		<u>6,064,330</u>	<u>5,982,675</u>	<u>5,540,878</u>	<u>5,751,718</u>
TOTAL ASSETS		<u><u>73,893,635</u></u>	<u><u>72,451,169</u></u>	<u><u>72,311,020</u></u>	<u><u>71,507,526</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 31, 2016

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		August 31,	February 29,	August 31,	February 29,
		2016	2016	2016	2016
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	12	7,274,350	7,292,064	6,689,999	6,790,000
Accounts payable and other payables					
Accounts payable		448,607	430,886	343,048	310,896
Other payables		1,364,979	1,362,153	1,391,942	1,965,910
Current portion of :					
Long-term borrowings	13	8,662,555	11,217,769	8,309,119	11,217,769
Long-term debentures	15	2,929,313	1,250,021	2,929,313	1,250,021
Accrued income tax		212,676	281,686	184,246	235,577
Payables per currency swap contracts	13	-	44,163	-	44,163
Other current liabilities		161,110	358,656	140,634	196,481
Total Current Liabilities		<u>21,053,590</u>	<u>22,237,398</u>	<u>19,988,301</u>	<u>22,010,817</u>
NON-CURRENT LIABILITIES					
Long-term borrowings	13	30,228,474	29,693,023	30,122,444	29,329,260
Long-term borrowings under securitization project	14	-	-	728,201	607,836
Long-term debentures	15	9,302,858	7,639,461	8,656,453	7,142,056
Payables per currency swap contracts	13 and 15	291,074	505,175	291,074	505,175
Subordinated borrowings	10.2	38,148	29,870	-	-
Employee benefit obligations	16	105,853	88,990	72,508	59,672
Other non-current liabilities		464	584	463	584
Total Non-Current Liabilities		<u>39,966,871</u>	<u>37,957,103</u>	<u>39,871,143</u>	<u>37,644,583</u>
TOTAL LIABILITIES		<u>61,020,461</u>	<u>60,194,501</u>	<u>59,859,444</u>	<u>59,655,400</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT AUGUST 31, 2016

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		August 31,	February 29,	August 31,	February 29,
		2016	2016	2016	2016
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY	17				
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		7,204,746	6,582,881	6,848,576	6,249,126
OTHER COMPONENTS OF EQUITY					
Exchange differences on translating financial statements of foreign operations					
		(9,617)	(13,075)	-	-
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT					
		12,798,129	12,172,806	12,451,576	11,852,126
NON-CONTROLLING INTERESTS					
		75,045	83,862	-	-
TOTAL SHAREHOLDERS' EQUITY		12,873,174	12,256,668	12,451,576	11,852,126
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		73,893,635	72,451,169	72,311,020	71,507,526

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 31, 2016
“UNAUDITED”

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the three-month		For the three-month	
		periods ended		periods ended	
		August 31,	August 20,	August 31,	August 20,
		2016	2015	2016	2015
REVENUES					
Credit card income	18	1,677,212	1,557,256	1,834,262	1,539,448
Loan income		2,289,226	2,224,826	2,264,754	2,203,060
Hire-purchase income		101,444	106,762	38,459	54,852
Other income					
Bad debt recovery		123,431	153,572	123,431	149,882
Gain on sales of written-off accounts receivable		-	190,669	2,262	190,669
Collection service income		52,667	31,252	-	4,260
Commission income		118,576	119,497	-	-
Gain (loss) on sale of leasehold improvement and equipment and intangible assets		(1,909)	(171)	(1,912)	4,633
Others		85,859	75,958	31,239	35,994
Total other income		378,624	570,777	155,020	385,438
Total Revenues		4,446,506	4,459,621	4,292,495	4,182,798
EXPENSES					
Operating and administrative expenses		1,854,119	1,724,737	1,687,409	1,634,572
Directors and managements' remuneration	19	32,375	34,760	15,143	21,331
Bad debts and doubtful accounts		1,309,369	1,203,910	1,383,924	1,144,625
Finance cost		532,034	582,648	562,155	552,838
Total Expenses		3,727,897	3,546,055	3,648,631	3,353,366
Share of profit (loss) from investment in associate		(475)	730	-	-
INCOME BEFORE INCOME TAX EXPENSE		718,134	914,296	643,864	829,432
INCOME TAX EXPENSE	20	142,156	181,548	104,816	157,170
NET PROFIT FOR THE PERIOD		575,978	732,748	539,048	672,262
NET PROFIT ATTRIBUTABLE TO :					
Owners of the parent		571,780	731,308	539,048	672,262
Non-controlling interests		4,198	1,440	-	-
		575,978	732,748	539,048	672,262
BASIC EARNINGS PER SHARE	BAHT	2.29	2.93	2.16	2.69
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	250,000,000	250,000,000	250,000,000	250,000,000

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED AUGUST 31, 2016
“UNAUDITED”

BAHT '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month		For the three-month	
	periods ended		periods ended	
	August 31,	August 20,	August 31,	August 20,
	2016	2015	2016	2015
Net profit for the period	575,978	732,748	539,048	672,262
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	4,238	(1,752)	-	-
- Non-controlling interests	133	1,823	-	-
Items that will not be reclassified subsequently to profit or loss				
Actuarial loss from actuarial assumptions	(3,415)	-	(3,415)	-
Other comprehensive income (loss) for the period,				
net of income tax	956	71	(3,415)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>576,934</u>	<u>732,819</u>	<u>535,633</u>	<u>672,262</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO :				
Owners of the parent	572,603	729,556	535,633	672,262
Non-controlling interests	4,331	3,263	-	-
	<u>576,934</u>	<u>732,819</u>	<u>535,633</u>	<u>672,262</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 31, 2016
“UNAUDITED”

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the six-month		For the six-month	
		periods ended		periods ended	
		August 31,	August 20,	August 31,	August 20,
		2016	2015	2016	2015
REVENUES					
Credit card income	18	3,258,421	3,061,053	3,421,610	3,024,824
Loan income		4,552,554	4,342,577	4,514,400	4,302,645
Hire-purchase income		206,340	210,503	81,962	110,953
Other income					
Bad debt recovery		236,008	288,392	232,425	281,568
Gain on sales of written-off accounts					
receivable		-	190,669	-	190,669
Collection service income		104,224	83,624	5,312	8,997
Commission income		237,624	235,807	-	-
Gain (loss) on sale of leasehold improvement					
and equipment and intangible assets		(3,719)	(343)	(3,707)	5,303
Dividend income		-	-	45,000	90,708
Others		184,882	152,981	75,016	74,864
Total other income		<u>759,019</u>	<u>951,130</u>	<u>354,046</u>	<u>652,109</u>
Total Revenues		<u>8,776,334</u>	<u>8,565,263</u>	<u>8,372,018</u>	<u>8,090,531</u>
EXPENSES					
Operating and administrative expenses		3,701,231	3,415,373	3,370,549	3,205,844
Directors and managements' remuneration	19	65,457	66,751	33,973	41,224
Bad debts and doubtful accounts		2,549,627	2,358,908	2,548,969	2,244,953
Finance cost		1,083,671	1,156,754	1,138,060	1,095,473
Total Expenses		<u>7,399,986</u>	<u>6,997,786</u>	<u>7,091,551</u>	<u>6,587,494</u>
Share of profit from investment in associate		42	2,253	-	-
INCOME BEFORE INCOME TAX EXPENSE		<u>1,376,390</u>	<u>1,569,730</u>	<u>1,280,467</u>	<u>1,503,037</u>
INCOME TAX EXPENSE	20	279,124	313,563	215,253	263,946
NET PROFIT FOR THE PERIOD		<u><u>1,097,266</u></u>	<u><u>1,256,167</u></u>	<u><u>1,065,214</u></u>	<u><u>1,239,091</u></u>
NET PROFIT ATTRIBUTABLE TO :					
Owners of the parent		1,087,629	1,254,826	1,065,214	1,239,091
Non-controlling interests		9,637	1,341	-	-
		<u><u>1,097,266</u></u>	<u><u>1,256,167</u></u>	<u><u>1,065,214</u></u>	<u><u>1,239,091</u></u>
BASIC EARNINGS PER SHARE	BAHT	4.35	5.02	4.26	4.96
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES	SHARES	250,000,000	250,000,000	250,000,000	250,000,000

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE SIX-MONTH PERIOD ENDED AUGUST 31, 2016
 “UNAUDITED”

BAHT '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month		For the six-month	
	periods ended		periods ended	
	August 31,	August 20,	August 31,	August 20,
	2016	2015	2016	2015
Net profit for the period	1,097,266	1,256,167	1,065,214	1,239,091
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	3,458	(9,199)	-	-
- Non-controlling interests	(2,129)	1,799	-	-
Items that will not be reclassified subsequently to profit or loss				
Actuarial loss from actuarial assumptions	(3,415)	-	(3,415)	-
Other comprehensive loss for the period, net of income tax	(2,086)	(7,400)	(3,415)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,095,180</u>	<u>1,248,767</u>	<u>1,061,799</u>	<u>1,239,091</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO :				
Owners of the parent	1,087,672	1,245,627	1,061,799	1,239,091
Non-controlling interests	7,508	3,140	-	-
	<u>1,095,180</u>	<u>1,248,767</u>	<u>1,061,799</u>	<u>1,239,091</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 31, 2016
“UNAUDITED”

BAHT '000

Note	CONSOLIDATED FINANCIAL STATEMENTS						Total owners of the parent	Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	of equity			
			Appropriated	Unappropriated	Exchange differences on translating financial statements of foreign operations				
			Legal reserve	Reserve for business expansion					
Beginning balance, as at February 21, 2015	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	-	-	-	-	-	-	-	66,064	66,064
Capital repayment from dissolution in a subsidiary	-	-	-	-	-	-	-	(30)	(30)
Dividend paid	17.1	-	-	-	(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)
Ending balance, as at August 20, 2015	<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>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED AUGUST 31, 2016
“UNAUDITED”

BAHT '000

Note	CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)							Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Owners of the parent Retained earnings		Unappropriated	Other components of equity	Total owners of the parent		
			Appropriated Legal reserve	Reserve for business expansion		Exchange differences on translating financial statements of foreign operations			
Beginning balance, as at March 1, 2016	250,000	478,000	25,000	4,850,000	6,582,881	(13,075)	12,172,806	83,862	12,256,668
Changes during the period									
Dividend paid	-	-	-	-	(462,349)	-	(462,349)	(16,325)	(478,674)
Net profit for the period	-	-	-	-	1,087,629	-	1,087,629	9,637	1,097,266
Other comprehensive income (loss)	-	-	-	-	(3,415)	3,458	43	(2,129)	(2,086)
Ending balance, as at August 31, 2016	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>7,204,746</u>	<u>(9,617)</u>	<u>12,798,129</u>	<u>75,045</u>	<u>12,873,174</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 31, 2016
“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		
Beginning balance, as at February 21, 2015		250,000	478,000	25,000	4,850,000	4,597,544	10,200,544
Changes during the period							
Dividend paid	17.1	-	-	-	-	(462,328)	(462,328)
Net profit for the period		-	-	-	-	1,239,091	1,239,091
Ending balance, as at August 20, 2015		<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>
Beginning balance, as at March 1, 2016		250,000	478,000	25,000	4,850,000	6,249,126	11,852,126
Changes during the period							
Dividend paid	17.3	-	-	-	-	(462,349)	(462,349)
Net profit for the period		-	-	-	-	1,065,214	1,065,214
Other comprehensive loss		-	-	-	-	(3,415)	(3,415)
Ending balance, as at August 31, 2016		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>6,848,576</u>	<u>12,451,576</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 31, 2016
“UNAUDITED”

BAHT '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the six-month periods ended		For the six-month periods ended	
		August 31, 2016	August 20, 2015	August 31, 2016	August 20, 2015
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax expense		1,376,390	1,569,730	1,280,467	1,503,037
Adjustments for:					
Shares of profit from investment in associate		(42)	(2,253)	-	-
Bad debts and doubtful accounts		2,549,627	2,358,908	2,548,969	2,244,953
Gain on devaluation in long-term borrowings under securitization project		-	-	(26,737)	-
Depreciation		176,024	159,539	131,235	132,097
Amortization of intangible assets		109,502	120,642	87,583	106,148
Employee benefit expense		12,595	9,903	8,568	7,932
Gain on sale of written-off accounts receivable		-	(190,669)	-	(190,669)
(Gain) loss on sale of leasehold improvement and equipment		2,163	343	2,152	(4,467)
Gain on sale of intangible assets		(5)	-	(5)	(836)
Loss on written-off of leasehold improvement and equipment		1,561	541	1,560	-
Interest income		(4,878,839)	(4,619,408)	(4,593,523)	(4,187,217)
Dividend income		-	-	(45,000)	(90,708)
Finance cost		1,083,671	1,156,754	1,138,060	1,095,473
		<u>432,647</u>	<u>564,030</u>	<u>533,329</u>	<u>615,743</u>
Operating assets (increase) decrease					
Accounts receivable and other receivables		(4,080,596)	(4,395,051)	(5,006,038)	(7,258,307)
Other current assets		(31,902)	3,485	(583)	(856)
Other non-current assets		(18,710)	(8,615)	(18,080)	(2,287)
Operating liabilities increase (decrease)					
Accounts payable and other payables		6,107	40,426	(554,414)	105,303
Other current liabilities		(197,548)	46,679	(55,847)	19,280
Other non-current liabilities		(120)	(69)	(121)	(1,427)
Cash paid for operations		(3,890,122)	(3,749,115)	(5,101,754)	(6,522,551)
Proceeds from interest income		4,721,550	4,527,943	4,352,988	4,098,857
Dividend received		-	-	45,000	90,708
Finance cost paid		(1,087,722)	(1,138,990)	(1,131,882)	(1,076,535)
Income tax paid		(305,413)	(353,489)	(247,931)	(301,060)
Retirement benefits paid		-	(991)	-	(18,806)
Net cash used in operating activities		<u>(561,707)</u>	<u>(714,642)</u>	<u>(2,083,579)</u>	<u>(3,729,387)</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED AUGUST 31, 2016
“UNAUDITED”

BAHT '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the six-month		For the six-month	
		periods ended		periods ended	
		August 31,	August 20,	August 31,	August 20,
		2016	2015	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for fixed deposits at banks under obligations		-	(10,212)	-	-
Proceeds from fixed deposits at banks under obligations		6,708	-	-	-
Cash paid for purchases of leasehold improvement and equipment		(120,820)	(95,736)	(89,001)	(82,793)
Cash paid for purchases of intangible assets		(49,237)	(95,632)	(28,899)	(87,893)
Proceeds from sale of leasehold improvement and equipment		207	-	199	-
Proceeds from sale of intangible assets		22	-	22	-
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)
Net cash used in investing activities		(163,120)	(201,610)	(117,679)	(406,041)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from sale of additional revolving receivables under securitization projects		-	-	1,787,656	3,182,966
Proceeds from long-term borrowings under securitization project		-	-	394,038	-
Proceeds from sale of written-off accounts receivable		-	47,691	-	47,691
Proceeds from bank overdrafts and short-term borrowings from financial institutions		139,123,540	107,417,610	138,810,981	105,769,535
Cash repayments for bank overdrafts and short-term borrowings from financial institutions		(139,141,254)	(106,567,460)	(138,910,983)	(104,949,535)
Proceeds from long-term borrowings		4,366,060	4,472,500	4,260,030	4,472,500
Cash repayments for long-term borrowings		(6,568,172)	(4,228,366)	(6,557,845)	(4,236,500)
Proceeds from long-term debentures		4,099,300	596,860	3,950,300	596,860
Cash repayments for long-term debentures		(456,450)	(646,000)	(456,450)	(646,000)
Proceeds from subordinated borrowings under securitization project		8,278	-	-	-
Cash repayments for long-term borrowings under securitization project		-	-	(281,950)	-
Proceeds from ordinary shares issued of a subsidiary		-	66,064	-	-
Dividend paid		(466,601)	(462,343)	(462,349)	(462,328)
Net cash provided by financing activities		964,701	696,556	2,533,428	3,775,189

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED AUGUST 31, 2016
“UNAUDITED”

BAHT '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the six-month		For the six-month	
		periods ended		periods ended	
		August 31,	August 20,	August 31,	August 20,
		2016	2015	2016	2015
Net increase (decrease) in cash and cash equivalents		239,874	(219,696)	332,170	(360,239)
Increase (decrease) in exchange differences on translating financial statements of foreign operations		1,329	(7,400)	-	-
Cash and cash equivalents at beginning of the period		3,808,571	2,769,448	3,129,591	2,218,371
Cash and cash equivalents at the end of the period	5.1	<u>4,049,774</u>	<u>2,542,352</u>	<u>3,461,761</u>	<u>1,858,132</u>

See condensed notes to the financial statements

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 31, 2016
“UNAUDITED”**

1. OPERATIONS OF THE COMPANY

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

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

The Company has subsidiaries which are under its control in finance and operations as mentioned in Note 3.4.

2. CHANGE IN ACCOUNTING PERIOD

On June 12, 2015, the Annual General Meeting of shareholders had the resolutions to approve the change in accounting period of the Company from starting on February 21, and ending on February 20, of the following year, to be starting from March 1, and ending on the last day of February of the following year. The first accounting period of the change shall be effective and starting from the accounting period of February 21 to 29, 2016, and the next accounting periods shall be starting from March 1, and ending on the last day of February of the following year, which the Company received the approval for the change in accounting period from the Revenue Department and the Ministry of Commerce on June 2, 2015, and June 24, 2015, respectively.

Accordingly, the Company has presented the financial statements for the three-month and six-month periods ended August 20, 2015 as a comparative information of the current period's financial statements.

3. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

3.1 The Company and its subsidiaries maintain its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with

Thai Financial Reporting Standards (TFRSs) and accounting practices generally accepted in Thailand.

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

- 3.2 The interim consolidated and separate financial statements are prepared in compliance with Thai Accounting Standard No. 34 (Revised 2015) “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements. Additional information is disclosed in accordance with the regulations of the Securities and Exchange Commission.
- 3.3 The interim consolidated and separate financial statements for the three-month and six-month periods ended August 31, 2016 and August 20, 2015 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 29, 2016, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the period then ended which have been audited.

- 3.4 The interim consolidated financial statements for the three-month and six-month periods ended August 31, 2016 and August 20, 2015 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 31, 2016 and August 20, 2015, the subsidiaries included in the consolidated financial statements are as follows:

	Business type	Country of Registration	Registration Date	Percentage of direct and indirect holdings For the three-month and six-month periods ended August 31, 2016 August 20, 2015	
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 Specialized Bank (Cambodia)Plc.	Retail finance business	Cambodia	October 5, 2011	80.00	80.00
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	100.00	98.56
ATS Rabbit Special Purpose Vehicle Company Limited****	Special purpose juristic person in securitization projects	Thailand	March 20, 2015	48.75	-

* 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 8.2).

** Eternal 6 Special Purpose Vehicle Company Limited had already registered the dissolution with the Department of Business Development, Ministry of Commerce on August 31, 2016. Eternal 6 is under the liquidation process (see Notes 6.5 and 8.2).

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

**** The Company has the power to control over ATS Rabbit Special Purpose Vehicle Company Limited because the Company has power to appoint the board of directors and rights to provide certain service which is significantly impacted by the performance of underlying assets and has rights to get variable return from such company under securitization project.

The interim consolidated financial statements for the three-month and six-month periods ended August 31, 2016 and August 20, 2015 included equity interests in an associated company as follow:

	Business type	Country of Registration	Registration Date	Percentage of direct and indirect holdings For the three-month and six-month periods ended August 31, 2016 August 20, 2015	
ACS Trading Vietnam Company Limited	Retail finance business	Vietnam	May 26, 2008	20.00	20.00

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

3.5 The financial statements of certain subsidiaries and associate used in the preparation of consolidated financial statements are as of a date or for a period that is different from that of the consolidated financial statements. However, the Company consolidated the financial information of the subsidiaries and associate

using the most recent financial statements of the subsidiaries and associate adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements. The date of the end of the reporting period of the financial statements of the subsidiaries and associate are as follows:

	The date of the end of the reporting period in preparation of the consolidated financial statements	
	For the three-month and six-month periods ended	
	August 31, 2016	August 20, 2015
Subsidiaries		
AEON Specialized (Cambodia) Bank Plc.	June 30, 2016	June 30, 2015
AEON Insurance Service (Thailand) Company Limited	June 30, 2016	June 30, 2015
ACS Servicing (Thailand) Company Limited	June 30, 2016	June 30, 2015
AEON Microfinance (Myanmar) Company Limited	June 30, 2016	June 30, 2015
AEON Leasing Service (Lao) Company Limited	June 30, 2016	June 30, 2015
Associate		
ACS Trading Vietnam Company Limited	June 30, 2016	June 30, 2015

- 3.6 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 for the three-month and six-month periods ended August 31, 2016 should be read in conjunction with the audited financial statements for the year ended February 20, 2016 and for the period from February 21 to 29, 2016.
- 3.7 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.
- 3.8 The unaudited results of operations presented in the three-month and six-month periods ended August 31, 2016 are not necessarily an indication nor anticipation of the operating results for the full year.
- 3.9 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notifications regarding "Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities"

which are announced in the Royal Gazette and effective for the financial statements for the accounting periods beginning on or after January 1, 2017 onwards

The Company's and its subsidiaries' management has assessed the impact of this Guideline Accounting and believes that it will not have material difference from the Draft Accounting Guidance which the Company adopted before the effective date.

4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the period from February 21 to 29, 2016.

5. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

5.1 Cash and cash equivalents are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	"Unaudited"		"Unaudited"	
	As at August 31, 2016 Baht '000	As at February 29, 2016 Baht '000	As at August 31, 2016 Baht '000	As at February 29, 2016 Baht '000
Cash	1,349,802	1,383,301	1,333,249	1,370,634
Deposits at bank - call deposits	2,699,972	2,425,270	2,128,512	1,758,957
Cash and cash equivalents	<u>4,049,774</u>	<u>3,808,571</u>	<u>3,461,761</u>	<u>3,129,591</u>

5.2 Cash paid for purchase of leasehold improvement and equipment and intangible assets for the six-month periods ended August 31, 2016 and August 20, 2015, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	August 31, 2016 Baht '000	August 20, 2015 Baht '000	August 31, 2016 Baht '000	August 20, 2015 Baht '000
Leasehold improvement and equipment				
Liabilities recorded - brought forward	15,500	8,848	15,500	8,848
Purchase of leasehold improvement and equipment	116,131	98,697	84,312	85,754
	<u>131,631</u>	<u>107,545</u>	<u>99,812</u>	<u>94,602</u>
<u>Less</u> Cash payments for purchase of leasehold improvement and equipment	<u>(120,820)</u>	<u>(95,736)</u>	<u>(89,001)</u>	<u>(82,793)</u>
Liabilities recorded - carried forward	<u>10,811</u>	<u>11,809</u>	<u>10,811</u>	<u>11,809</u>

Intangible assets				
Liabilities recorded - brought forward	366	17,015	366	17,015
Purchase of intangible assets	<u>53,657</u>	<u>82,699</u>	<u>33,319</u>	<u>74,960</u>
	54,023	99,714	33,685	91,975
<u>Less</u> Cash payments for purchase of intangible assets	<u>(49,237)</u>	<u>(95,632)</u>	<u>(28,899)</u>	<u>(87,893)</u>
Liabilities recorded - carried forward	<u>4,786</u>	<u>4,082</u>	<u>4,786</u>	<u>4,082</u>

5.3 During the six-month periods ended August 31, 2016 and August 20, 2015, the Company had non-cash item relating to sale of the right on credit card receivables to Eternal 6 Special Purpose Vehicle Company Limited, which is a subsidiary of the Company, as the Company sold additional revolving credit card receivables to subsidiaries during the revolving period or repurchased the right on credit card receivables which was settled by decreasing and increasing the Seller loan Account of Baht 2,493.86 million and Baht 1,056.94 million, respectively, instead of cash receipt.

In addition, during the six-month period ended August 31, 2016, the Company had non-cash item relating to repurchase the right on credit card receivables which was settled by decreasing the Subordinating lendings Account of Baht 1,399.35 million, instead of cash payment (see Note 10.1).

5.4 During the six-month period ended August 31, 2016, the Company had non-cash item relating to sale of the rights on loans receivable to ATS Rabbit Special Purpose Vehicle Company Limited, which is a subsidiary of the Company, as the Company sold loan receivables to such subsidiary which was settled by increasing the Subordinated lendings Account and the Seller loan Account of Baht 38.15 million and Baht 44.40 million, respectively, instead of cash receipt.

6. ACCOUNTS RECEIVABLE

6.1 Accounts receivable consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	"Unaudited"		"Unaudited"	
	As at	As at	As at	As at
	August 31,	February 29,	August 31,	February 29,
	2016	2016	2016	2016
	Baht '000	Baht '000	Baht '000	Baht '000
Accounts receivable	65,762,036	62,694,464	64,097,649	59,086,148

Accounts receivable under securitization project				
- ATS Rabbit Special Purpose Vehicle				
Company Limited	728,201	607,836	728,201	607,836
Total	66,490,237	63,302,300	64,825,850	59,693,984
<u>Less</u> Allowance for doubtful accounts	(2,414,769)	(2,411,968)	(2,379,276)	(2,274,306)
Total accounts receivable	64,075,468	60,890,332	62,446,574	57,419,678
Accounts receivable due within 1 year	62,530,730	59,560,348	61,959,414	56,801,824
Accounts receivable due after 1 year	1,544,738	1,329,984	487,160	617,854
Total	64,075,468	60,890,332	62,446,574	57,419,678

As the securitization transaction under the Receivables Sales and Purchase Agreement for transferred rights on loans receivable with ATS Rabbit Special Purpose Vehicle Company Limited does not qualify to derecognition of financial assets according to the “Accounting Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities” issued by the Federation of Accounting Professions, the Company continues to recognize the full carrying amount of these receivables and used as collateral of long-term borrowing under the securitization project (see Note 6.5).

As at August 31, 2016 and February 29, 2016, accounts receivable are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
-Unaudited-					
As at August 31, 2016			As at February 29, 2016		
Due within 1 year	Due after 1 year	Total	Due within 1 year	Due after 1 year	Total
Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Hire-purchase receivable					
Hire-purchase and accrued interest receivable					
	15	9			9
<u>Less</u> Unearned financing income					
	988,620	12			12
<u>Less</u> Allowance for doubtful accounts					
Hire-purchase and accrued interest receivable - net					
		12			18
Loans receivable					
Loans and accrued interest receivable					
33		151	25		172
<u>Less</u> Allowance for doubtful accounts	85	85	54		54
Loans and accrued interest receivable - net					
148		166	161		108

CONSOLIDATED FINANCIAL STATEMENTS

“Unaudited”

	As at August 31, 2016			As at February 29, 2016		
	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
Credit card receivable						
Credit card and accrued interest receivable	28,348,766	-	28,348,766	03	-	03
<u>Less</u> Allowance for doubtful Accounts	(916,005)	-	(916,005))	-)
Credit card and accrued interest receivable - net	<u>27,432,761</u>	<u>-</u>	<u>27,432,761</u>	<u>03</u>	<u>-</u>	<u>03</u>
Receivable from rendering the collection service	65,895	-	65,895	-	-	-
Receivable from insurance broker business	91,644	-	91,644	-	-	-
Total accounts receivable	<u>62,530,730</u>	<u>1,544,738</u>	<u>64,075,468</u>	<u>48</u>	<u>4</u>	<u>32</u>

SEPARATE FINANCIAL STATEMENTS

“Unaudited”

	As at August 31, 2016			As at February 29, 2016		
	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
Hire-purchase receivable						
Hire-purchase and accrued interest receivable						
<u>Less</u> Unearned financing income))))))
<u>Less</u> Allowance for doubtful accounts		-			-	
Hire-purchase and accrued interest receivable - net						
Loans receivable						
Loans and accrued interest receivable	69		24	82		80
<u>Less</u> Allowance for doubtful accounts	24)	-	24)	52)	-	52)
Loans and accrued interest receivable - net	<u>45</u>	<u>00</u>	<u>20</u>	<u>20</u>	<u>18</u>	<u>18</u>
Credit card receivable						
Credit card and accrued interest receivable	09	-	09	47	-	47
<u>Less</u> Allowance for doubtful accounts)	-))	-)
Credit card and accrued interest receivable - net	<u>04</u>	<u>-</u>	<u>04</u>	<u>45</u>	<u>-</u>	<u>45</u>
Total accounts receivable	<u>14</u>	<u>74</u>	<u>24</u>	<u>24</u>	<u>78</u>	<u>78</u>

6.2 Quality of assets

Accounts receivable classified by aging as at August 31, 2016 and February 29, 2016, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	"Unaudited"		"Unaudited"	
	As at August 31, 2016	As at February 29, 2016	As at August 31, 2016	As at February 29, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
Less than 3 months	64,522,355	61,210,162	62,898,449	57,725,400
3 months up	1,967,882	2,092,138	1,927,401	1,968,584
Total	66,490,237	63,302,300	64,825,850	59,693,984
Less Allowance for doubtful accounts	(2,414,769)	(2,411,968)	(2,379,276)	(2,274,306)
Total accounts receivable	64,075,468	60,890,332	62,446,574	57,419,678

6.3 Troubled debt restructuring

For the three-month periods ended August 31, 2016 and August 20, 2015, the Company had recognized interest income on restructured debts totaling Baht 30.72 million and Baht 41.22 million, respectively.

For the six-month periods ended August 31, 2016 and August 20, 2015, the Company had recognized interest income on restructured debts totaling Baht 136.28 million and Baht 141.48 million, respectively.

The Company had the outstanding balances of credit card receivables, hire-purchase receivables and loan receivables as at August 31, 2016 and February 29, 2016, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	"Unaudited"		"Unaudited"	
	As at August 31, 2016		As at February 29, 2016	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	47,760	1,443,048	51,527	1,671,702
Non-restructured accounts receivable	3,647,540	64,889,651	3,619,821	61,310,725
Total	3,695,300	66,332,699	3,671,348	62,982,427

	SEPARATE FINANCIAL STATEMENTS			
	"Unaudited"		"Unaudited"	
	As at August 31, 2016		As at February 29, 2016	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	47,760	1,443,048	51,527	1,671,702
Non-restructured accounts receivable	3,456,926	63,382,802	3,346,756	58,022,282
Total	3,504,686	64,825,850	3,398,283	59,693,984

As at August 31, 2016 and February 29, 2016, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

6.4 Allowance for doubtful accounts

Allowance for doubtful accounts are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	"Unaudited"		"Unaudited"	
	As at August 31, 2016	As at February 29, 2016	As at August 31, 2016	As at February 29, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	2,411,968	2,403,280	2,274,306	2,266,118
Bad debts and doubtful accounts	2,549,627	8,688	2,548,969	8,188
Gain on devaluation of long-term borrowings under securitization project	-	-	26,737	-
Written-off bad debts	(2,546,826)	-	(2,470,736)	-
Ending balance	<u>2,414,769</u>	<u>2,411,968</u>	<u>2,379,276</u>	<u>2,274,306</u>

6.5 Transfers of financial assets

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

Details of aforementioned sales of receivables are summarized as follows:

		Eternal 5*	Eternal 6**	ATS Rabbit***
Approved date of the securitization projects by the Office of the Securities and Exchange Commission of Thailand ("the SEC")		May 19, 2010	May 10, 2013	October 2, 2015
Initial selling date		May 20, 2010	May 20, 2013	October 29, 2015
Type of transferred receivables		Credit Card Receivable	Credit Card Receivable	Loan Receivable
Revolving period		May 2010 - April 2015 (approximately)	April 2013 - April 2018 (approximately)	October 2015 - October 2025 (approximately)
Initial sales of receivables				
Net book value of initial receivables	Baht	4,355,040,449	4,500,002,090	456,076,200
Proceeds from transfer of the right of receivables	Baht	2,790,000,000	2,960,000,000	433,272,390
Subordinated lendings (see Note 10)	Baht	1,438,000,000	1,399,351,988	50,081,313
Minimum seller loan - pari passu with debentures (see Note 9)	Baht	126,840,000	130,780,560	None

		Eternal 5*	Eternal 6**	ATS Rabbit***
Number of contracts		205,485	183,047	49,225
Average principal amount outstanding	Baht	21,194	24,584	9,265
Interest rate		20% p.a.	20% p.a.	28% p.a.

* Eternal 5 Special Purpose Vehicle Company Limited (Subsidiary)

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

*** ATS Rabbit 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.

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 8.2).

On June 8, 2016, Eternal 6 redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and debentures, and the Company repurchased all outstanding receivables from Eternal 6 which led to the end of the securitization project of Eternal 6 on the same date. As at August 31, 2016, the Extraordinary Shareholders' Meetings of Eternal 6 had passed the resolutions to approve the dissolution and liquidation, and Eternal 6 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 6 is under the liquidation process (see Note 8.2).

During the life of the securitization projects, the Company may repurchase the rights on the Purchased Receivables with Eternal 5 and Eternal 6, 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 22, 2015, the Company entered into the Receivables Sale and Purchase Agreement with ATS Rabbit Special Purpose Vehicle Company Limited which was registered as a special purpose vehicle company under the Civil and Commercial Code of Thailand for the purpose of implementing or facilitating the securitization in accordance with the securitization projects approved by the Office of the Securities and Exchange Commission of Thailand (“the SEC”) on October 2, 2015 for transferred rights, title, interest and benefits in respect of the Initial Receivables, the Future Receivables and the Additional Receivables on the term of the Agreement.

Under the agreement, the purchase price of the Initial Receivables equal to the net book value of receivables as of October 29, 2015 of Baht 456.08 million. As at October 29, 2015, the Company received cash proceeds of Baht 433.27 million and the remaining balance of Baht 22.81 million was paid by entering into a subordinated loan agreement of Baht 25.04 million (see Note 10.1). The revolving sale and purchase period of Future Receivables and Additional Receivables commenced from October 30, 2015 and will be terminated in October 2025, approximately.

During the life of the securitization projects, the Company may repurchase the rights on the Purchased Receivables with ATS Rabbit 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. 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.
3. 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.

For the three-month and six-month periods ended August 31, 2016 and August 20, 2015, transactions relating to the transfer of financial assets under the securitization projects are summarized as follows:

	For the three-month periods ended		For the six-month periods ended	
	August 31, 2016	August 20, 2015	August 31, 2016	August 20, 2015
	Million Baht	Million Baht	Million Baht	Million Baht
Transfers of future receivables (at book value)				
- Credit card receivable (Eternal 6)	-	1,579	1,411	3,183
- Loan receivable (ATS Rabbit)	190	-	376	-
	<u>190</u>	<u>1,579</u>	<u>1,787</u>	<u>3,183</u>
Cash collection on behalf of Special Purpose Vehicles				
- Credit card receivable (Eternal 6)	-	1,876	1,678	3,732
- Loan receivable (ATS Rabbit)	222	-	428	-
	<u>222</u>	<u>1,876</u>	<u>2,106</u>	<u>3,732</u>
Servicing income on cash collection from Special Purpose Vehicles				
- Credit card receivable (Eternal 6)	(6)	69	56	135
- Loan receivable (ATS Rabbit)	9	-	18	-
	<u>3</u>	<u>69</u>	<u>74</u>	<u>135</u>

As at August 31, 2016 and February 29, 2016, the outstanding receivables sold to Special Purpose Vehicles which are eliminated against long-term debentures in the consolidated financial statements and managed by the Company classified by aging are as follows:

	"Unaudited"	
	As at August 31, 2016	As at February 29, 2016
	Million Baht	Million Baht
Credit card receivables (included accrued interest income) - Eternal 6		
Less than 3 months	-	4,225
3 months up	-	95
	<u>-</u>	<u>4,320</u>
<u>Less</u> Allowance for doubtful accounts	-	(110)
Total	<u>-</u>	<u>4,210</u>

7. SHORT-TERM LOAN TO A RELATED PARTY

As at August 31, 2016 and February 29, 2016, the Company has short-term loan to a subsidiary amounting to Baht 100 million. The loan can be called to repay within 30 days after receiving written notice. The loan is unsecured and have interest rate at monetary policy committee of the Bank of Thailand plus margin of 0.5% per annum.

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

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

8.1 Investment in associate in the consolidated financial statements

As at August 31, 2016 and February 29, 2016, the Company had investment in the entity which is associate and accounted for equity method in the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS						
"Unaudited"						
			As at August 31, 2016		As at February 29, 2016	
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
Investment in associate						
ACS Trading Vietnam Company Limited	VND 50,000 million	200	16,819.3	41,287.4	16,819.3	41,245.2
Total investment in associate			<u>16,819.3</u>	<u>41,287.4</u>	<u>16,819.3</u>	<u>41,245.2</u>

8.2 Investments in associate and subsidiaries in the separate financial statements

As at August 31, 2016 and February 29, 2016, the Company had investments in associate and subsidiaries which are accounted for cost method in the separate financial statements as follows:

SEPARATE FINANCIAL STATEMENTS				
"Unaudited"				
As at August 31, 2016		As at February 29, 2016		
% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000	
Investment in associate and subsidiaries				
Investment in associate (see Note 21.1)				
ACS Trading Vietnam Company Limited	20.00	16,819.3	20.00	16,819.3
Total investment in associate		<u>16,819.3</u>	<u>16,819.3</u>	
Investments in subsidiaries (see Note 21.1)				

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
ATS Rabbit Special Purpose Vehicle Company Limited	48.75	19.5	48.75	19.5
AEON Specialized Bank (Cambodia) Plc.	80.00	252,960.0	80.00	252,960.0
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	276,769.1
AEON Leasing Service (Lao) Company Limited	92.58	103,069.1	92.58	103,069.1
Total investments in subsidiaries		<u>957,411.9</u>		<u>957,411.9</u>
Total investments in associate and subsidiaries		<u>974,231.2</u>		<u>974,231.2</u>

- (1) 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).
- (2) As at August 31, 2016, the Extraordinary Shareholders' Meetings of Eternal 6 had passed the resolutions to approve the liquidation and dissolution and Eternal 6 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 6 is under the liquidation process (see Note 6.5).
- (3) On June 4, 2015, the Company paid Baht 134.80 million for additional investment for capital increase of AEON Specialized Bank (Cambodia) Plc. The Company holds 80% of shareholding in the subsidiary after capital increased.
- (4) During the year ended February 20, 2016, the Company paid Baht 100.57 million for additional investment for capital increase of AEON Microfinance (Myanmar) Company Limited.
- (5) On September 30, 2015, the Company paid Baht 1.78 million for purchasing additional investment of AEON Leasing Service (Lao) Company Limited from non-controlling interests. The Company directly holds 92.58% of shareholding in the subsidiary after additional investment.

- (6) 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 for securitization project 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 Company invested in ordinary shares and preferred share of ATS Rabbit Special Purpose Vehicle Company Limited in the amount of Baht 19,500. Such company got an approval for the securitization project from the SEC on October 2, 2015 (see Note 6.5).

According to the Memorandum of Understanding, the Receivables Sales and Purchase Agreement and the Servicing Agreement made on October 22, 2015 (see Note 6.5), the Company has power to appoint the board of directors and rights to provide certain service which is significantly impacted by the performance of underlying assets and has rights to get variable return from such company under securitization project. Therefore, the Company concluded that the Company has the power to control over such company, and the consolidated financial statements of the Company included such company’s operating results.

8.3 Long-term investments in related companies consist of:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	“Unaudited”			
	As at August 31, 2016		As at February 29, 2016	
	% of Ownership	Cost Baht ‘000	% of Ownership	Cost Baht ‘000
Long-term investments in related companies				
AEON (Thailand) Co., Ltd. (340,000 shares of Baht 100 each, Baht 25 called up)	5.23	8,500	3	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

	35,217	35,217
<u>Less</u> Allowance for impairment of investment	(8,500)	(8,500)
Total long-term investments in related companies	<u>26,717</u>	<u>26,717</u>

9. SELLER LOAN IN SPECIAL PURPOSE VEHICLES FOR SECURITIZATION

Seller loan in Special Purpose Vehicles for securitization as at August 31, 2016 and February 29, 2016, are as follows:

	SEPARATE FINANCIAL STATEMENTS "Unaudited"	
	As at August 31, 2016 Baht '000	As at February 29, 2016 Baht '000
Seller loan in Special Purpose Vehicles for securitization (see Note 21.2.1)		
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	-	2,493,858
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	44,401	62,817
Total	<u>44,401</u>	<u>2,556,675</u>
<u>Less</u> Seller loan in Special Purpose Vehicles for securitization due within one year	<u>(44,401)</u>	<u>(2,556,675)</u>
Total Seller loan in Special Purpose Vehicles for Securitization	<u>-</u>	<u>-</u>

(1) Seller loans in Special Purpose Vehicles for securitization - Eternal 6

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.

On June 8, 2016, Eternal 6 has redeemed the remaining seller loan in special purpose vehicle for securitization (see Notes 6.5 and 8.2).

(2) Seller loans in Special Purpose Vehicles for securitization - ATS Rabbit

Subsequent to the sale of the rights on initial loan receivables under securitization project, the Company received partial payments from ATS Rabbit with seller loan accounts under securitization project for sale of additional revolving loan receivables

during the revolving period or repurchased the rights on loan receivables. Such Seller loan accounts will decrease from cash repayment when the outstanding amount reaches or exceeds determined level or the duration after the closing date reaches determined every 3-month period as agreed in the agreement.

10. SUBORDINATED LENDINGS AND SUBORDINATED BORROWINGS

10.1 Subordinated lendings with Special Purpose Vehicles as at August 31, 2016 and February 29, 2016, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	“Unaudited”	
	As at August 31, 2016 Baht ‘000	As at February 29, 2016 Baht ‘000
Subordinated lendings (see Note 21.2.1)		
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	-	1,399,352
<u>Less</u> Subordinated lendings due within one year	-	(1,399,352)
Total subordinated lendings	-	-

	SEPARATE FINANCIAL STATEMENTS	
	“Unaudited”	
	As at August 31, 2016 Baht ‘000	As at February 29, 2016 Baht ‘000
Subordinated lendings (see Note 21.2.1)		
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	-	52
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	38,148	
Total	38,148	22
<u>Less</u> Subordinated lendings due within one year	-	352)
Total subordinated lendings	-	-

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.

Subsequently, on June 8, 2016, Eternal 6 has redeemed the remaining subordinated lendings (see Notes 6.5 and 8.2).

On October 22, 2015, the Company entered into the subordinated term loan agreement with ATS Rabbit amounting to 5% of transferred rights in initial receivables (see Note 6.5) and originated transaction cost and of Future Receivables and Additional Receivables which are settled by Seller Loan Account and backed for each debentures issuance of ATS Rabbit, for the purpose of partial payment for the sales of rights in loan receivables.

The term loan is due in the year 2025 and the interest is received on the monthly basis at the rate of 12% per annum.

- 10.2 Subordinated borrowings in Special Purpose Vehicle as at August 31, 2016 and February 29, 2016, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS "Unaudited"	
	As at August 31, 2016 Baht '000	As at February 29, 2016 Baht '000
Subordinated borrowings		
ATS Rabbit Special Purpose Vehicle Company Limited (ATC Rabbit)	38,148	29,870
Total subordinated borrowings	38,148	29,870

On October 22, 2015, ATS Rabbit, a subsidiary, entered into the subordinated term borrowings agreement with BSS Holdings amounting to 5% of transferred rights in initial receivables (see Note 6.5) and originated transaction cost and of Future Receivables and Additional Receivables which are settled by Seller Loan Account and backed for each debentures issuance of ATS Rabbit, for the purpose of partial payment for the purchase of rights in loan receivables.

The term loan is due in the year 2025 and the interest is paid on the monthly basis at the rate of 12% per annum.

11. DEFERRED TAX ASSETS

Deferred tax assets consist of:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at August 31, 2016 Baht ‘000	As at February 29, 2016 Baht ‘000	As at August 31, 2016 Baht ‘000	As at February 29, 2016 Baht ‘000
Deferred tax assets				
Allowance for doubtful accounts	479,921	481,107	475,855	454,861
Non-accrual of interest income	46,585	65,194	46,171	63,290
Employee benefit obligation	21,171	17,803	14,502	11,934
Others	32,969	28,856	32,466	28,339
	<u>580,646</u>	<u>592,960</u>	<u>568,994</u>	<u>558,424</u>
Deferred tax liabilities				
Unrealized loss on currency swap contracts	159,775	131,406	159,775	131,406
Others	3,638	2,455	-	-
	<u>163,413</u>	<u>133,861</u>	<u>159,775</u>	<u>131,406</u>
Deferred tax assets	<u>417,233</u>	<u>459,099</u>	<u>409,219</u>	<u>427,018</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”			
	Balance as at February 29, 2016 Baht ‘000	Items as recognized in profit or loss Baht ‘000	Items as recognized in other comprehensive income Baht ‘000	Balance as at August 31, 2016 Baht ‘000
Deferred tax assets				
Allowance for doubtful accounts	481,107	(1,186)	-	479,921
Non-accrual of interest income	65,194	(18,609)	-	46,585
Employee benefit obligation	17,803	2,514	854	21,171
Others	28,856	4,113	-	32,969
	<u>592,960</u>	<u>(13,168)</u>	<u>854</u>	<u>580,646</u>
Deferred tax liabilities				
Unrealized loss on currency swap contracts	131,406	28,369	-	159,775
Others	2,455	1,183	-	3,638
	<u>133,861</u>	<u>29,552</u>	<u>-</u>	<u>163,413</u>
Deferred tax assets	<u>459,099</u>	<u>(42,720)</u>	<u>854</u>	<u>417,233</u>

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	Balance as at February 20, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at February 29, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	479,374	1,733	-	481,107
Non-accrual of interest income	65,097	97	-	65,194
Employee benefit obligation	17,693	110	-	17,803
Others	28,456	400	-	28,856
	<u>590,620</u>	<u>2,340</u>	<u>-</u>	<u>592,960</u>
Deferred tax liabilities				
Unrealized loss on currency swap contracts	134,879	(3,473)	-	131,406
Others	2,447	8	-	2,455
	<u>137,326</u>	<u>(3,465)</u>	<u>-</u>	<u>133,861</u>
Deferred tax assets	<u>453,294</u>	<u>5,805</u>	<u>-</u>	<u>459,099</u>

SEPARATE FINANCIAL STATEMENTS
"Unaudited"

	Balance as at February 29, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at August 31, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	454,861	20,994	-	475,855
Non-accrual of interest income	63,290	(17,119)	-	46,171
Employee benefit obligation	11,934	1,714	854	14,502
Others	28,339	4,127	-	32,466
	<u>558,424</u>	<u>9,716</u>	<u>854</u>	<u>568,994</u>
Deferred tax liabilities				
Unrealized loss on currency swap contracts	131,406	28,369	-	159,775
	<u>131,406</u>	<u>28,369</u>	<u>-</u>	<u>159,775</u>
Deferred tax assets	<u>427,018</u>	<u>(18,653)</u>	<u>854</u>	<u>409,219</u>

SEPARATE FINANCIAL STATEMENTS

	Balance as at February 20, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at February 29, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	453,224	1,637	-	454,861
Non-accrual of interest income	63,119	171	-	63,290
Employee benefit obligation	11,866	68	-	11,934
Others	27,939	400	-	28,339
	<u>556,148</u>	<u>2,276</u>	<u>-</u>	<u>558,424</u>
Deferred tax liabilities				
Unrealized loss on currency swap contracts	134,879	(3,473)	-	131,406
	<u>134,879</u>	<u>(3,473)</u>	<u>-</u>	<u>131,406</u>
Deferred tax assets	<u>421,269</u>	<u>5,749</u>	<u>-</u>	<u>427,018</u>

12. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

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

CONSOLIDATED FINANCIAL STATEMENTS				
“Unaudited”				
	As at August 31, 2016		As at February 29, 2016	
	Interest rate		Interest rate	
	%	Baht '000	%	Baht '000
Overdrafts in THB currency	1.70	2,559,999	1.70	2,980,000
Short-term borrowings in THB currency	1.60 - 2.26	4,130,000	1.60 - 1.85	3,810,000
Short-term borrowings in USD currency	1.25 - 1.62	402,564	1.03 - 1.53	432,514
Short-term borrowings in LAK currency	7.12 - 10.50	86,107	6.22 - 10.50	49,950
Short-term borrowings in MMK currency	12.5	95,680	12.5	19,600
Total		<u>7,274,350</u>		<u>7,292,064</u>

SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
	As at August 31, 2016		As at February 29, 2016	
	Interest rate		Interest rate	
	%	Baht '000	%	Baht '000
Overdrafts in THB currency	1.70	2,559,999	1.70	2,980,000
Short-term borrowings in THB currency	1.60 - 2.26	4,130,000	1.60 - 1.85	3,810,000
Total		<u>6,689,999</u>		<u>6,790,000</u>

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

13. LONG-TERM BORROWINGS

As at August 31, 2016 and February 29, 2016, the Company entered into various long-term borrowings agreements and issued promissory notes in Baht and foreign currencies as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
“Unaudited”				
As at August 31, 2016				
	Due within	Interest rate	Foreign currency	Baht equivalent
	the year	%	Million	Baht '000
Borrowings in JPY currency	2016 - 2021	3.16 - 5.26	50,700.00	17,388,275
Borrowings in USD currency	2016 - 2021	2.16 - 4.32	492.86	17,139,624
Borrowings in THB currency	2016 - 2018	3.08 - 4.74	4,450.00	4,450,000
<u>Less</u> Borrowings issuance cost				<u>(86,870)</u>
				38,891,029
<u>Less</u> Current portion of long-term borrowings				<u>(8,662,555)</u>

Total long-term borrowings	<u>30,228,474</u>
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CONSOLIDATED FINANCIAL STATEMENTS

As at February 29, 2016

	Due within the year	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2016 - 2021	3.16 - 5.26	50,700.00	16,198,092
Borrowings in USD currency	2016 - 2020	2.16 - 4.32	465.00	16,663,729
Borrowings in THB currency	2016 - 2018	3.08 - 4.80	8,150.00	8,150,000
<u>Less</u> Borrowings issuance cost				<u>(101,029)</u>
				40,910,792
<u>Less</u> Current portion of long-term borrowings				<u>(11,217,769)</u>
Total long-term borrowings				<u>29,693,023</u>

SEPARATE FINANCIAL STATEMENTS

"Unaudited"

As at August 31, 2016

	Due within the year	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2016 - 2021	3.16 - 5.26	50,700.00	17,388,275
Borrowings in USD currency	2016 - 2021	2.22 - 4.32	479.86	16,680,157
Borrowings in THB currency	2016 - 2018	3.08 - 4.74	4,450.00	4,450,000
<u>Less</u> Borrowings issuance cost				<u>(86,869)</u>
				38,431,563
<u>Less</u> Current portion of long-term borrowings				<u>(8,309,119)</u>
Total long-term borrowings				<u>30,122,444</u>

SEPARATE FINANCIAL STATEMENTS

As at February 29, 2016

	Due within the year	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2016 - 2021	3.16 - 5.26	50,700.00	16,198,092
Borrowings in USD currency	2016 - 2020	2.60 - 4.32	455.00	16,299,966
Borrowings in THB currency	2016 - 2018	3.08 - 4.80	8,150.00	8,150,000
<u>Less</u> Borrowings issuance cost				<u>(101,029)</u>
				40,547,029
<u>Less</u> Current portion of long-term borrowings				<u>(11,217,769)</u>
Total long-term borrowings				<u>29,329,260</u>

In the consolidated and separate financial statements as at August 31, 2016 and February 29, 2016, the Company has long-term borrowings in JPY currency from a related company which is a bank in Japan amounting to JPY 5,000 million or equivalent to Baht 1,709.49 million and JPY 5,000 million or equivalent to Baht 1,591.40 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 21.2.1).

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 31, 2016				
	Notional amount Baht '000	Carrying amount		Total Baht '000
		Less than 1 year Baht '000	1 - 5 years Baht '000	
Receivable per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	945,000	-	83,892	83,892
Cross Currency Interest Rate Swap Contracts				
JPY currency	14,035,000	30,957	1,195,941	1,226,898
USD currency	11,131,700	256,062	569,884	825,946
	26,111,700	287,019	1,849,717	2,136,736
Payable per currency swap contracts				
Cross Currency Interest Rate Swap Contracts				
JPY currency	1,232,000	-	(134,515)	(134,515)
USD currency	4,804,830	-	(82,319)	(82,319)
	6,036,830	-	(216,834)	(216,834)
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 29, 2016				
	Notional amount Baht '000	Carrying amount		Total Baht '000
		Less than 1 year Baht '000	1 - 5 years Baht '000	
Receivable per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	5,691,625	-	514,525	514,525
USD currency	9,861,375	478,184	1,096,652	1,574,836
Cross Currency Interest Rate Swap Contracts				
JPY currency	945,000	-	13,467	13,467
USD currency	1,091,445	198,223	-	198,223
	17,589,445	676,407	1,624,644	2,301,051
Payable per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	9,232,000	(44,163)	(497,736)	(541,899)
USD currency	544,800	-	(7,439)	(7,439)
	9,776,800	(44,163)	(505,175)	(549,338)

14. LONG-TERM BORROWINGS UNDER SECURITIZATION PROJECT

As at August 31, 2016 and February 29, 2016, the Company has recognized the cash received and was settled by the Subordinated lendings Account from the transferred rights on loan receivables under securitization project of ATS Rabbit Special Purpose Vehicle Company Limited (see Note 6.5) as long-term borrowings under securitization project in the

separate financial statements in the amount of Baht 728.20 million and Baht 607.84 million, respectively.

15. LONG-TERM DEBENTURES

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

Issue date	Maturity Date	No. of Units	Currency	Par value per unit	Amount	Interest rate %	Term of interest payment	"Unaudited"	
								As at August 31, 2016 Baht '000	As at February 29, 2016 Baht '000
Company									
14/07/2011	14/07/2016	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.30	Semi-annual	-	537,362
16/12/2011	16/12/2016	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.80	Semi-annual	695,212	716,482
30/08/2012	30/08/2017	30	USD	1,000,000	30,000,000	USD-LIBOR 3M	Quarterly	1,042,818	1,074,723
13/09/2012	13/09/2017	20	USD	1,000,000	20,000,000	USD-LIBOR 3M + 0.20	Quarterly	695,212	716,482
24/07/2013	29/07/2018	17	USD	1,000,000	17,000,000	USD-LIBOR 6M + 0.01	Semi-annual	590,930	609,010
29/11/2013	29/11/2018	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.05	Semi-annual	1,042,818	1,074,723
28/03/2014	28/03/2019	30	USD	1,000,000	30,000,000	USD-LIBOR 6M	Semi-annual	1,042,818	1,074,723
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	521,409	537,362
27/03/2015	27/03/2019	22	JPY	100,000,000	2,200,000,000	JPY-TIBOR 6M + 0.36	Semi-annual	754,521	702,876
23/02/2016	21/02/2019	200,000	THB	1,000	200,000,000	2.87	Semi-annual	200,000	200,000
25/03/2016	25/03/2020	70	USD	1,000,000	70,000,000	USD-LIBOR 6M + 0.65	Semi-annual	2,433,242	-
28/03/2016	27/03/2020	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.50	Semi-annual	521,409	-
22/08/2016	20/08/2021	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.85	Semi-annual	521,409	-
24/08/2016	30/07/2019	400,000	THB	1,000	400,000,000	2.50	Quarterly	400,000	-
								11,661,798	8,443,743
<u>Less</u> Debenture issuance cost								(76,032)	(51,666)
								11,585,766	8,392,077
<u>Less</u> Current portion of long-term debentures								(2,929,313)	(1,250,021)
Total long-term debentures in separate financial statements								8,656,453	7,142,056
ATS Rabbit Special Purpose Vehicle Company Limited									
29/10/2015	28/10/2025	410,469	Baht	1,000	410,469,000	4.00	Monthly	410,469	410,469
18/01/2016	28/10/2025	86,936	Baht	1,000	86,936,000	4.00	Monthly	86,936	86,936
28/07/2016	28/10/2025	149,000	Baht	1,000	149,000,000	4.00	Monthly	149,000	-
								646,405	497,405
Total long-term debentures in consolidated financial statements								9,302,858	7,639,461

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
"Unaudited"				
As at August 31, 2016				
Notional amount	Carrying amount			Total
	Less than 1 year	1 - 5 years		
Baht '000	Baht '000	Baht '000		Baht '000
Receivable per currency interest rate swap contracts				
Cross Currency Interest Rate Swap Contracts				
JPY currency	596,860	-	157,661	157,661
USD currency	5,130,450	175,230	325,537	500,767
	<u>5,727,310</u>	<u>175,230</u>	<u>483,198</u>	<u>658,428</u>
Payable per currency interest rate swap contracts				
Cross Currency Interest Rate Swap Contracts				
USD currency	3,550,300	-	(74,240)	(74,240)
	<u>3,550,300</u>	<u>-</u>	<u>(74,240)</u>	<u>(74,240)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 29, 2016				
Notional amount	Carrying amount			Total
	Less than 1 year	1 - 5 years		
Baht '000	Baht '000	Baht '000		Baht '000
Receivable per currency interest rate swap contracts				
Cross Currency Interest Rate Swap Contracts				
JPY currency	596,860	-	106,016	106,016
USD currency	5,586,900	171,794	582,172	753,966
	<u>6,183,760</u>	<u>171,794</u>	<u>688,188</u>	<u>859,982</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.

On June 8, 2016, Eternal 6 Special Purpose Vehicle Co., Ltd. redeemed the remaining balance of debentures in full (see Note 6.5).

The subsidiary's debentures which are eliminated against credit card receivables in the consolidated financial statements as at August 31, 2016 and February 29, 2016, are as follows:

Debenture Classes	Maturity date	Amount	Interest rate	"Unaudited"	
				As at August 31, 2016	As at February 29, 2016
		Baht '000	%	Baht '000	Baht '000
Eternal 6 Special Purpose Vehicle Co., Ltd.					
ClassA-sf	June 8, 2016	2,960,000	3.83	-	980,079
				-	980,079

As at August 31, 2016 and February 29, 2016, 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 23.5).

16. 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 31, 2016 and August 20, 2015, 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		For the six-month periods ended	
	August 31, 2016	August 20, 2015	August 31, 2016	August 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Current service cost	5,939	4,345	11,240	8,710
Interest cost	668	603	1,355	1,193
Actuarial (gain) loss				
- From financial assumptions changes	2,750	-	2,750	-
- From demographic assumptions changes	(306)	-	(306)	-
- From experience adjustments	1,824	-	1,824	-
Total	10,875	4,948	16,863	9,903

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month periods ended		For the six-month periods ended	
	August 31, 2016	August 20, 2015	August 31, 2016	August 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Current service cost	4,071	3,104	7,686	6,933
Interest cost	432	447	882	999
Actuarial (gain) loss				
- From financial assumptions changes	2,750	-	2,750	-
- From demographic assumptions changes	(306)	-	(306)	-
- From experience adjustments	1,824	-	1,824	-
Total	<u>8,771</u>	<u>3,551</u>	<u>12,836</u>	<u>7,932</u>

Movements in the present value of the post-employment benefit obligations for the six-month periods ended August 31, 2016 and August 20, 2015, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	August 31, 2016	August 20, 2015	August 31, 2016	August 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	88,990	76,220	59,672	71,346
Current service cost	11,240	8,710	7,686	6,933
Interest cost	1,355	1,193	882	999
Actuarial loss	4,268	-	4,268	-
Benefit paid	-	(991)	-	(18,806)
Ending balance	<u>105,853</u>	<u>85,132</u>	<u>72,508</u>	<u>60,472</u>

The significant actuarial assumptions used to calculate the obligation under the defined benefit plans as at August 31, 2016 and February 29, 2016 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	"Unaudited"	
	As at August 31, 2016	As at February 29, 2016
	% per annum	% per annum
Financial assumptions		
Discount rate	2.74 - 3.32	2.74 - 3.32
Expected rate of salary increase	5.0 - 7.0	5.0 - 7.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 24.0	0.0 - 26.0
Daily staff	0.0 - 51.0	0.0 - 57.0
Temporary staff	0.0 - 62.0	0.0 - 62.0
	Subject to range of age of employees	Subject to range of age of employees

	SEPARATE FINANCIAL STATEMENTS	
	“Unaudited”	
	As at August 31, 2016	As at February 29, 2016
	% per annum	% per annum
Financial assumptions		
Discount rate	2.76	3.02
Expected rate of salary increase	5.0	5.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 21.0	0.0 - 21.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 51.0	0.0 - 51.0
	Subject to range of age of employees	Subject to range of age of employees
Temporary staff	0.0 - 62.0	0.0 - 62.0
	Subject to range of age of employees	Subject to range of age of employees

17. SHAREHOLDERS' EQUITY

- 17.1 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 rights 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.
- 17.2 On September 23, 2015, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the fiscal year 2015 at the rate of Baht 1.60 per share to shareholders, totaling Baht 400 million. The aforementioned shareholders included 1,000 shares of foreign shareholders who had no rights 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 21, 2015.
- 17.3 On June 17, 2016, the Annual General Meeting of shareholders had the resolutions to approve the declaration of final dividends for the second half year ended February 20, 2016 at the rate of Baht 1.67 per share and for the period from February 21 to 29, 2016 at the rate of Baht 0.18 per share, totaling at the rate of Baht 1.85 per share, totaling Baht 462.50 million. The aforementioned shareholders included 81,600 shares of foreign shareholders who had no rights to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 462.35 million which were paid to all shareholders on June 27, 2016 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, 2015.

17.4 Under the Securitization project, the subsidiaries have to pay dividend to their shareholders from all remaining amounts after deducting the required accumulated reserves and payment of all fees and expenses. The subsidiaries appropriate interim dividends after the approval of Board of Directors' meeting on a monthly basis at each Monthly Purchase Date as an appropriation of net profit after income tax of each month.

17.4.1 Eternal 6 Special Purpose Vehicle Company Limited's the registered share capital comprises ordinary shares and preferred shares which are held by non-controlling interests. Dividends from the profits of the subsidiary 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.

17.4.2 ATS Rabbit Special Purpose Vehicle Company Limited's the registered share capital comprises 2 groups of ordinary shares and 2 groups of preferred shares. Dividends from the profits of the subsidiary shall be allocated to the holders of preferred shares which are non-controlling interests at a rate of 1% of the par value of each preferred share. The rest of the dividends shall be distributed to the holders of ordinary shares and another group of preferred shares.

18. REVENUE RELATING TO SECURITIZATION TRANSACTION

For the three-month and six-month periods ended August 31, 2016 and August 20, 2015, the details of revenues from securitization transaction consist of the following:

18.1 Revenue relating to securitization transaction incurred from sale of credit card receivables to Eternal 6 is included in credit card income for presentation.

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month periods ended		For the six-month periods ended	
	August 31, 2016	August 20, 2015	August 31, 2016	August 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Credit card income (see Note 21.2.2)				
Interest income (reversal) from subordinated lendings	(460)	42,325	46,006	83,271
Revenue from seller loan in Special Purpose Vehicle	4,256	9,003	10,792	12,935
Dividend from investment in Special Purpose Vehicle	81,242	44,962	123,905	95,226

Servicing income (reversal)	(6,202)	69,278	55,771	134,626
Total	<u>78,836</u>	<u>165,568</u>	<u>236,474</u>	<u>326,058</u>

18.2 Revenue relating to securitization transaction incurred from sale of loan receivables to ATS Rabbit is included in loan income for presentation.

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month periods ended		For the six-month periods ended	
	August 31, 2016	August 20, 2015	August 31, 2016	August 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Loan income (see Note 21.2.2)				
Interest income from subordinated lendings	1,099	-	2,061	-
Revenue from seller loan in Special Purpose Vehicle	1,398	-	3,218	-
Dividend from investment in Special Purpose Vehicle	4,488	-	16,310	-
Servicing income	9,494	-	18,036	-
Total	<u>16,479</u>	<u>-</u>	<u>39,625</u>	<u>-</u>

19. 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 31, 2016 and August 20, 2015, directors and managements' remuneration are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month periods ended		For the six-month periods ended	
	August 31, 2016	August 20, 2015	August 31, 2016	August 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Managements' remuneration	34,805	27,578	59,646	51,936
Directors' remuneration (reversal)	(3,179)	6,472	4,324	13,395
Post-employment benefits	749	710	1,487	1,420
	<u>32,375</u>	<u>34,760</u>	<u>65,457</u>	<u>66,751</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month		For the six-month	
	periods ended		periods ended	
	August 31, 2016	August 20, 2015	August 31, 2016	August 20, 2015
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Managements' remuneration	19,612	15,864	32,866	30,291
Directors' remuneration (reversal)	(5,058)	5,000	(58)	10,000
Post-employment benefits	589	467	1,165	933
	<u>15,143</u>	<u>21,331</u>	<u>33,973</u>	<u>41,224</u>

For the three-month and six-month periods ended August 31, 2016 and August 20, 2015, directors' remunerations which were included in short-term employee benefits were approved by the ordinary shareholders' meetings of the Company held on June 17, 2016 and June 12, 2015, respectively.

20. CORPORATE INCOME TAX

The Company and its local subsidiaries used tax rate of 20% for corporate income tax calculation for the three-month and six-month periods ended August 31, 2016 and August 20, 2015. The foreign subsidiaries used 20%-25% for corporate income tax calculation for the three-month and six-month periods ended August 31, 2016 and August 20, 2015.

The Company and its subsidiaries used tax rate of 20% for calculation of deferred tax for the three-month and six-month periods ended August 31, 2016 and August 20, 2015. The foreign subsidiaries used 20%-25% for calculation of deferred tax for the three-month and six-month periods ended August 31, 2016 and August 20, 2015.

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

For the three-month and six-month periods ended August 31, 2016 and August 20, 2015, income tax consists of:

that are exempt for tax purposes	(24,469)	(3.80)	(9,063)	(1.09)	(41,632)	(3.25)	(37,360)	(2.49)
Income tax expense per statements of profit or loss	104,816	16.28	157,170	18.95	215,253	16.81	263,946	17.56

21. TRANSACTIONS WITH RELATED PARTIES

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

21.1 Investments in associate and subsidiaries (see Note 8.2) are as follows:

Related parties	Relationship	Paid-up Capital Baht 000	% Ownership	SEPARATE FINANCIAL STATEMENTS "Unaudited"	
				As at August 31, 2016 Cost Baht 000	As at February 29, 2016 Cost Baht 000
Investments in associate and subsidiaries					
Investment in associate					
ACS Trading Vietnam Company Limited	Associate	84,096.3	20.00	16,819.3	16,819.3
Total investment in associate				16,819.3	16,819.3
Investments in subsidiaries					
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
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	40.0	48.75	19.5	19.5
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	320,344.4	80.00	252,960.0	252,960.0
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	276,769.1
AEON Leasing Service (Lao) Company Limited	Subsidiary	111,402.9	92.58	103,069.1	103,069.1
Total investments in subsidiaries				957,411.9	957,411.9
Total investments in associate and subsidiaries				974,231.2	974,231.2

21.2 Business transactions with related parties

21.2.1 Balances with related parties are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		"Unaudited"		"Unaudited"	
		As at August 31, 2016 Baht '000	As at February 29, 2016 Baht '000	As at August 31, 2016 Baht '000	As at February 29, 2016 Baht '000
Accounts receivable under securitization project (see Note 6.1)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	728,201	607,836
Other receivables					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	51,061	128,244
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	3,092	1,405
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	4,570	11,394
AEON Financial Service Co., Ltd.	Major shareholder	59	7	59	712
AEON Credit Service Company Limited	Common ultimate holding company	17	10	17	10
ACS Capital Corporation Limited	Shareholder and one common director	6,051	5,093	206	225
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	5,369	226
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	16,407	12,496
		<u>6,127</u>	<u>5,815</u>	<u>80,781</u>	<u>154,712</u>
Short-term loan (see Note 7)					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	100,000	100,000
Seller loan in Special Purpose Vehicle for Securitization (see Note 9)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	2,493,858
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	44,401	62,817
		<u>-</u>	<u>-</u>	<u>44,401</u>	<u>2,556,675</u>
Subordinated lending (see Note 10)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	1,399,352	-	1,399,352
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	38,148	-	38,148	29,870
		<u>38,148</u>	<u>1,399,522</u>	<u>38,148</u>	<u>1,429,222</u>

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		"Unaudited"		"Unaudited"	
		As at August 31, 2016 Baht '000	As at February 29, 2016 Baht '000	As at August 31, 2016 Baht '000	As at February 29, 2016 Baht '000
Long-term borrowings (see Note 13)					
AEON Bank Ltd.	Common ultimate holding company	1,709,493	1,591,401	1,709,493	1,591,401
Accounts payable					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	133,935	123,380
Other payables					
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	44	44
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	640,318
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	2,567	1,821
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	138,043	114,112
AEON Financial Service Co., Ltd.	Major shareholder	33,381	33,384	33,381	33,384
AEON Credit Service Company Limited	Common ultimate holding company	15,361	11,059	7,244	6,471
ACS Capital Corporation Limited	Shareholder and one common director	203	9	203	9
AEON Credit Service Systems (Philippines) Inc.	Holding shares	5,866	14	956	-
AEON Bank Ltd.	Common ultimate holding company	7,173	-	6,603	-
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	287	593	-	-
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	29,893	36,260
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	1,647	-
		<u>62,271</u>	<u>45,059</u>	<u>220,581</u>	<u>832,419</u>
Long-term borrowings under securitization project (see Note 14)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	728,201	607,836
Deposit received					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	7,459	-
Deferred revenue					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	463	584

21.2.2 Transactions with related parties for the three-month and six-month periods ended August 31, 2016 and August 20, 2015, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
Related parties	Relationship	For the three-month periods ended		For the six-month periods ended	
		August 31, 2016	August 20, 2015	August 31, 2016	August 20, 2015
		Baht '000	Baht '000	Baht '000	Baht '000
Other income					
ACS Capital Corporation Limited	Shareholder and one common director	3,000	3,882	6,000	7,760
AEON (Thailand) Company Limited	Holding shares and two common directors	-	-	41	-
AEON Bank Ltd.	Common ultimate holding company	24	-	24	-
AEON Credit Service Company Limited	Common ultimate holding company	28	-	28	-
		<u>3,052</u>	<u>3,882</u>	<u>6,093</u>	<u>7,760</u>
Operating and administrative expenses					
Others					
AEON Financial Service Company Limited	Major shareholder	20,033	15,161	40,192	27,966
AEON Credit Service Company Limited	Common ultimate holding company	11,500	11,115	23,641	22,483
AEON (Thailand) Company Limited	Holding shares and two common directors	4,113	5,525	8,061	8,877
ACS Capital Corporation Limited	Shareholder and one common director	14,317	11,550	26,493	22,403
AEON Credit Service Systems (Philippines) Inc.	Holding shares	4,583	4,067	9,895	6,758
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	694	-	1,309	-
		<u>55,240</u>	<u>47,418</u>	<u>109,591</u>	<u>88,487</u>
Dividend paid					
ACS Capital Corporation Limited	Shareholder and one common director	88,800	88,800	88,800	88,800
AEON Financial Service Company Limited	Major shareholder	162,430	162,430	162,430	162,430
		<u>251,230</u>	<u>251,230</u>	<u>251,230</u>	<u>251,230</u>
Purchase of computer software					
AEON Credit Service Systems (Philippines) Inc.	Holding shares	-	796	-	796

		SEPARATE FINANCIAL STATEMENTS			
		For the three-month periods ended		For the six-month periods ended	
Related parties	Relationship	August 31, 2016 Baht '000	August 20, 2015 Baht '000	August 31, 2016 Baht '000	August 20, 2015 Baht '000
Sale promotion income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	2,555	3,124	5,381	6,109
Credit card income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	87,617	83,177	172,663	165,790
Revenue relating to securitization transaction (including in credit card income and loan income)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	78,836	165,568	236,474	326,058
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	16,479	-	39,625	-
		<u>95,315</u>	<u>165,568</u>	<u>276,099</u>	<u>326,058</u>
Other income					
ACS Capital Corporation Limited	Shareholder and one common director	3,000	3,882	6,000	7,536
AEON Insurance Service (Thailand) Company Limited	Subsidiary	11,122	15,562	26,147	32,859
ACS Servicing (Thailand) Company Limited	Subsidiary	504	637	9,261	1,255
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	511	-	599	-
AEON (Thailand) Company Limited	Holding shares and two common directors	-	-	41	-
		<u>15,137</u>	<u>20,081</u>	<u>42,048</u>	<u>41,650</u>
Operating and administrative expenses					
Collection service fee					
ACS Servicing (Thailand) Company Limited	Subsidiary	289,264	338,882	599,224	503,918
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	2,074	-	3,736	-
		<u>291,338</u>	<u>338,882</u>	<u>602,960</u>	<u>503,918</u>
Others					
AEON Financial Service Company Limited	Major shareholder	20,033	15,161	40,192	27,966
AEON Credit Service Company Limited	Common ultimate holding company	2,785	4,083	6,758	8,628
AEON (Thailand) Company Limited	Holding shares and two common directors	4,113	5,525	8,061	8,877
AEON Insurance Service (Thailand) Company Limited	Subsidiary	1,713	1,074	4,055	1,396
ACS Capital Corporation Limited	Shareholder and one common director	13,130	10,981	25,081	21,499
AEON Credit Service Systems (Philippines) Inc.	Holding shares	3,598	3,503	8,238	5,747
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	580	-	1,106	-
		<u>45,952</u>	<u>40,327</u>	<u>93,491</u>	<u>74,113</u>
Dividend received					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	45,000	45,000
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	-	17,908
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	-	27,800
		<u>-</u>	<u>-</u>	<u>45,000</u>	<u>90,708</u>
Dividend paid					
ACS Capital Corporation Limited	Shareholder and one common director	88,800	88,800	88,800	88,800
AEON Financial Service Company Limited	Major shareholder	162,430	162,430	162,430	162,430
		<u>251,230</u>	<u>251,230</u>	<u>251,230</u>	<u>251,230</u>

- Other income for the three-month and six-month periods ended August 31, 2016 and August 20, 2015 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.

22. SEGMENT INFORMATION

The Company and its 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 its 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:

22.1 Operating results classified by business are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
For the three-month period ended August 31, 2016					
	Retail finance services		Other business	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	4,197,222	108,813	140,471	-	4,446,506
Inter - segment revenues	-	-	399,723	(399,723)	-
	<u>4,197,222</u>	<u>108,813</u>	<u>540,194</u>	<u>(399,723)</u>	<u>4,446,506</u>
Expenses					
Operating and administrative expenses	1,688,219	84,824	480,300	(399,224)	1,854,119
Directors and managements' remuneration	15,143	12,213	5,019	-	32,375
Bad debts and doubtful accounts	1,297,291	12,078	-	-	1,309,369
Finance cost	523,868	8,166	499	(499)	532,034
Total expenses	<u>3,524,521</u>	<u>117,281</u>	<u>485,818</u>	<u>(399,723)</u>	<u>3,727,897</u>
Share of loss from investment in associate	-	-	-	(475)	(475)
Profit (loss) before income tax expense	672,701	(8,468)	54,376	(475)	718,134
Income tax expense	129,152	1,048	11,956	-	142,156
Net profit (loss) for the period	<u>543,549</u>	<u>(9,516)</u>	<u>42,420</u>	<u>(475)</u>	<u>575,978</u>

CONSOLIDATED FINANCIAL STATEMENTS					
For the three-month period ended August 20, 2015					
	Retail finance services		Other domestic	Elimination	Total
	Domestic	Foreign	business		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	4,287,611	82,087	89,923	-	4,459,621
Inter - segment revenues	-	-	438,675	(438,675)	-
	<u>4,287,611</u>	<u>82,087</u>	<u>528,598</u>	<u>(438,675)</u>	<u>4,459,621</u>
Expenses					
Operating and administrative expenses	1,648,488	58,622	452,821	(435,194)	1,724,737
Directors and managements' remuneration	21,331	9,535	3,894	-	34,760
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>(435,194)</u>	<u>3,546,055</u>
Share of profit from investment in associate	-	730	-	-	730
Profit (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 six-month period ended August 31, 2016

	Retail finance services Domestic Baht '000	Foreign Baht '000	Other domestic Business Baht '000	Elimination Baht '000	Total Baht '000
Revenues					
Revenue from external customers	8,336,060	210,990	229,284	-	8,776,334
Inter - segment revenues	-	-	863,842	(863,842)	-
	<u>8,336,060</u>	<u>210,990</u>	<u>1,093,126</u>	<u>(863,842)</u>	<u>8,776,334</u>
Expenses					
Operating and administrative expenses	3,384,302	163,000	971,780	(817,851)	3,701,231
Directors and managements' remuneration	33,973	20,983	10,501	-	65,457
Bad debts and doubtful accounts	2,528,181	21,446	-	-	2,549,627
Finance cost	1,069,445	14,226	992	(992)	1,083,671
Total expenses	<u>7,015,901</u>	<u>219,655</u>	<u>983,273</u>	<u>(818,843)</u>	<u>7,399,986</u>
Share of profit from investment in associate	-	-	-	42	42
Profit (loss) before income tax expense	1,320,159	(8,665)	109,853	(44,957)	1,376,390
Income tax expense	252,657	2,532	23,935	-	279,124
Net income (loss) for the period	<u>1,067,502</u>	<u>(11,197)</u>	<u>85,918</u>	<u>(44,957)</u>	<u>1,097,266</u>

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

	Retail finance services Domestic Baht '000	Foreign Baht '000	Other domestic Business Baht '000	Elimination Baht '000	Total Baht '000
Revenues					
Revenue from external customers	8,299,513	126,564	139,186	-	8,565,263
Inter - segment revenues	-	27,799	771,507	(799,306)	-
	<u>8,299,513</u>	<u>154,363</u>	<u>910,693</u>	<u>(799,306)</u>	<u>8,565,263</u>
Expenses					
Operating and administrative expenses	3,233,098	110,248	776,075	(704,048)	3,415,373
Directors and managements' remuneration	41,224	17,950	7,577	-	66,751
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>(704,275)</u>	<u>6,997,786</u>
Share of profit from investment in associate	-	2,253	-	-	2,253
Profit (loss) before income tax expense	1,526,854	10,866	127,041	(95,031)	1,569,730
Income tax expense	287,753	6,667	19,143	-	313,563
Net income (loss) for the period	<u>1,239,101</u>	<u>4,199</u>	<u>107,898</u>	<u>(95,031)</u>	<u>1,256,167</u>

22.2 Financial positions classified by business are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
“Unaudited”					
As at August 31, 2016					
	Retail finance services		Other business	Elimination	Total
	Domestic Baht ‘000	Foreign Baht ‘000	Domestic Baht ‘000	Baht ‘000	Baht ‘000
Accounts receivable and other receivable	63,081,108	1,506,660	488,604	(288,264)	64,788,108
Leasehold improvement and equipment and intangible assets	1,107,498	173,635	207,242	(7,895)	1,480,480
Other assets	8,078,563	82,184	505,291	(1,040,991)	7,625,047
Total assets	<u>72,267,169</u>	<u>1,762,479</u>	<u>1,201,137</u>	<u>(1,337,150)</u>	<u>73,893,635</u>
Total liabilities	<u>59,815,502</u>	<u>1,119,520</u>	<u>475,422</u>	<u>(389,983)</u>	<u>61,020,461</u>

CONSOLIDATED FINANCIAL STATEMENTS					
As at February 29, 2016					
	Retail finance services		Other business	Elimination	Total
	Domestic Baht ‘000	Foreign Baht ‘000	Domestic Baht ‘000	Baht ‘000	Baht ‘000
Accounts receivable and other receivable	59,990,390	1,361,106	708,042	(359,194)	61,700,344
Leasehold improvement and equipment and intangible assets	1,212,611	165,718	229,732	(7,895)	1,600,166
Other assets	9,600,468	161,095	430,566	(1,041,470)	9,150,659
Total assets	<u>70,803,469</u>	<u>1,687,919</u>	<u>1,368,340</u>	<u>(1,408,559)</u>	<u>72,451,169</u>
Total liabilities	<u>58,937,215</u>	<u>1,034,012</u>	<u>682,468</u>	<u>(459,194)</u>	<u>60,194,501</u>

23. CREDIT FACILITIES AND LETTER OF GUARANTEE

- 23.1 As at August 31, 2016 and February 29, 2016, the Company has unused committed and unsecured revolving credit facility agreements with financial institutions for general corporate funding requirements totaling Baht 1,300 million and 900 million.
- 23.2 As at August 31, 2016 and February 29, 2016, the Company has unused overdraft facilities with various banks totaling Baht 500.10 million and Baht 80.10 million, respectively. Such overdraft facilities are unsecured.
- 23.3 As at August 31, 2016 and February 29, 2016, 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.
- 23.4 As at August 31, 2016 and February 29, 2016, the subsidiaries have letters of guarantee issued by banks in the amounts of Baht 7.09 million and Baht 6.60 million, respectively.

23.5 As at August 31, 2016 and February 29, 2016, 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 15).

23.6 The Company has outstanding letter of credit issued by banks and letter of guarantee issued by the Company for guarantee repayment of subsidiaries' borrowings of USD 9.10 million and LAK 4,000 million as at August 31, 2016 and USD 1.81 million as at February 29, 2016.

24. RECLASSIFICATION

A service fee amounting to Baht 83.18 million and 165.79 million which was previously included as part of credit card income has been reclassified to the consolidated statement of profit or loss for the three-month and six-month periods ended August 20, 2015, respectively, to be deducted operating and administrative expenses to conform to the classification used in the consolidated statement of profit or loss for the year ended February 29, 2016 and for the three-month and six-month periods ended August 31, 2016 because of the revision of service agreements. Consequently, the consolidated statement of profit or loss for the nine-month period ended November 20, 2015 will be reclassified for comparison when the financial statements for the nine-month period ended November 30, 2016 have been prepared.

Such reclassification results in changes in amount as previously presented in the consolidated statement of profit or loss for the three-month and six-month periods ended August 20, 2015 as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month period ended		For the six-month period ended	
	August 20, 2015		August 20, 2015	
	As previously reported	After reclassification	As previously reported	After reclassification
	Baht '000	Baht '000	Baht '000	Baht '000
Credit card income	1,640,433	1,557,256	3,226,843	3,061,053
Operating and administrative expenses	1,807,914	1,724,737	3,581,163	3,415,373

25. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuing by the Company's authorized director and the Audit Committee on October 5, 2016.

(Translation)

Management Discussion and Analysis for the 2nd Quarter ended August 31, 2016

AEON Thana Sinsap (Thailand) Public Company Limited (“The Company”) has already submitted the reviewed Q2/2016 financial statements as of August 31, 2016 which were reviewed by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The operating performance is summarized as follows;

Overview

In the second quarter of 2016, Thai economic grew by 3.5%, improving from 3.2% in the first quarter of 2016. This was mainly from the continued expansion in public expenditure and tourism as well as improving in the private consumption. Meanwhile, the recovery of export sector has been slowing down mainly due to the economies of trading partners that remain weak and contracting export price, and high levels of household debt.

As of August 31, 2016, the Company's total cards reached 7.7 million cards (including 2.4 million credit cards and 5.3 million member cards), increasing by 142,000 cards or 2% from February 29, 2016. Covering networks nationwide, the Company has 114 branches, 467 ATMs and over 17,200 member dealers to provide financial services to AEON cardholders.

Summary of Operation Results

1. Operating Results

Revenues

In the first half of fiscal year 2016, revenues amounted to 8,776 million baht, showing an increase of 211 million baht or 2% y-y. However, if we exclude gain on sale of written off account receivables in Q2/2015, our revenues increase 5% y-y. The Company reported 4,447 million baht of total consolidated revenues in Q2/2016, decreasing by 0.3% y-y and increasing by 3% q-q. This was mainly from decrease in other income. As of August 31, 2016, the Company has active billings of 3.5 million per month with active customers of 2.2 million, mainly from Bangkok 32%, and in up-country 68%. Details of each business can be described as follows:

- Credit Card

In the first half of 2016, credit cards turnover comprised of 52% of total turnovers, with 3,258 million baht of credit card income, increasing by 6% y-y. For the second quarter of 2016, the credit card income reached 1,677 million baht, increasing by 8% y-y and 6% q-q. This was due to the fact that the Company has cooperated with many high-potential leading business partners to increase member base such as collaborated with Major Cineplex Group PLC and launched AEON M GEN Visa Card, collaborated with JCB International and Thai Airways and launched AEON Royal Orchid Plus Platinum JCB Card. In addition, the Company has continued privileges and campaigns to AEON credit cardholders such as the privilege for purchase two movie tickets at 99 baht and get free 1 small Combo Set at Quartier CineArt, campaign “AEON Happy Plan” to offer credit cardholders can convert the transaction from full payment to installment payment and etc. Focusing on card recruitment activities, the Company has enhanced on AEON card recruitment events through online channel and dealer network nationwide.

Moreover, the consolidated credit card income has been reclassified for comparison, a service fee amounted to 83.18 million baht and 165.79 million baht which was previously included as part of credit card income has been reclassified to the consolidated statement of profit or loss for the three-month and six-month periods ended August 20, 2015 to be deducted operating and administrative expenses to conform to the classification used in the consolidated statement of profit or loss for the year ended February 29, 2016 and for the three-month and six-month periods ended August 31, 2016 because of the revision of service agreements. (Details is disclosed in Notes to the Financial Statements No. 24)

- Loans

In the first half of 2016, loans shared 42% of total turnovers (shared 23% from personal loan and 19% from purposed loan for mobile phone, IT products, electrical appliances and etc. through more than 17,200 dealers nationwide) with the revenues of 4,553 million baht, increasing by 5% y-y. For the second quarter of 2016, loans income amounted to 2,289 million baht, increasing by 3% y-y. The increase was mainly from growth of revolving loan “Your Cash” and loan income from AEON Microfinance (Myanmar) Company Limited, which grew by 78% y-y and AEON Specialized Bank (Cambodia) Plc grew by 60% y-y. In addition, The Company expanded more service channels providing more convenience to customers and this also saved the Company’s operation cost. In September 2016, the Company joined with Siam Commercial Bank (SCB) and launched cashing channel “Your cash” service through more than 10,000 SCB’s ATMs nationwide for AEON member cards. 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, Government Saving Bank, Siam Commercial Bank, 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 2016, motorcycle hire purchase in Thailand and electrical appliances, mobile phone and etc. in oversea business, sharing 1% of total turnovers with revenues of 206 million baht, decreasing by 2% y-y. For the second quarter of 2016, revenues from hire purchase were 101 million baht, decreasing by 5% y-y. This was mainly contributed from hire purchase income from AEON Specialized Bank (Cambodia) Plc increased by 18% y-y and AEON Leasing (Lao) Co., Ltd increased by 97% y-y. The oversea subsidiaries will continue to grow in the future. However, the company has continued launching promotions with motorcycle manufacturers and suppliers, i.e., Honda and Suzuki as well as increased distribution channels for motorcycle sales through our branches.

- Others

In the first half of 2016, the Company recorded others income at 759 million baht, decreasing by 20% y-y and representing 9% of total revenues. The majority of other incomes came from bad debt recovery of 236 million baht which accounted for 3% of total revenues. For the second quarter of 2016, others income amounted to 379 million baht, decreasing by 34% y-y due to last year the Company sold written-off accounts receivable and received extra revenue of 191 million baht. Moreover, others income also included the income from company's subsidiaries in Thailand such as commission income of 238 million baht, the same as last year from AEON Insurance Service (Thailand) Co., Ltd. and collection service income of 104 million baht, increasing by 25% y-y from ACS Servicing (Thailand) Co., Ltd. and others accordingly. The Company has planed to generate more fee base incomes in the future.

Expenses

In the first half of 2016, the consolidated expenses amounted to 7,400 million baht, increasing by 402 million baht or 6% y-y. For the second quarter, the consolidated expenses were 3,728 million baht, increasing by 182 million baht or 5% y-y. Details of major expenses can be described as follows:

- Operating and Administrative Expenses

For the first half 2016, consolidated operating and administrative expenses were 3,766 million baht, increasing by 8% y-y and represented 43% of total revenues. For the second quarter of 2016, the consolidated operating and administrative expenses were 1,886 million baht, increasing by 7% y-y and represented 42% of total revenues. The expense has increased due to a business expansion of the oversea subsidiaries, increase in personal expenses and rental cost to support business growth as well as improve competitive edge.

Considering the Company's financial statement, the operating and administrative expenses as a percentage of revenues decreased to 40% in Q2/2016 compared to 42% in Q1/2016.

- Bad Debts and Doubtful Accounts

The consolidated bad debts and doubtful accounts, in the first half 2016, amounted to 2,550 million baht, increasing by 8% y-y. For the second quarter of 2016, the Company recorded bad debts and doubtful accounts of 1,309 million baht, increasing by 9% y-y. The increase was due to the economic slowdown and high levels of household debt.

- Finance Cost

The Company recorded finance cost of 1,084 million baht for first six-month period, decreasing by 6% y-y. For the second quarter of 2016, finance cost was 532 million baht, decreasing by 9% y-y. This was a result of well-managed funding cost. However, finance cost in the second quarter of 2016 accounted for 12% of total revenues, slightly decreased from 13% in Q2/2015. 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 decreased from 4.25% in Q2/2015 to 3.71% in Q2/2016.

Net Profit

For the first half of 2016, net profit was reported at 1,088 million baht or 4.35 baht per share. For the second quarter of 2016, the Company had consolidated operating income of 718 million baht, and reported net profit attributed to owners of the parent of 572 million baht, decreasing by 159 million baht or 22% y-y and increase 11% q-q, and earning per share was 2.29 baht. The net profit decrease was due to extra income of gain on sales of written off account receivables amounted 191 million baht in Q2/2015. However, if we exclude the extra income, our net profit increased by 6% from the same period last year.

2. Financial Status

Total Assets

As of August 31, 2016, the Company had 73,894 million baht of consolidated total assets, showing an increase of 1,443 million baht or 2% from 72,451 million baht as of February 29, 2016. The increase of assets was mainly driven by growth of accounts receivable from credit card business. Net accounts receivable was 88% of total assets.

-Accounts Receivable

The Company had consolidated accounts receivable of 66,490 million baht, increasing by 5% from that of 63,302 million baht at the end of fiscal year 2015, driven by credit card receivable. These can be categorized by credit card business of 28,349 million baht, increasing by 12%, loans business of 36,473 million baht, increasing by 1%, hire purchase business of 1,511 million baht, decreasing by 8% and others of 158 million baht.

Due to the Company's sustainable collection result, as of August 31, 2016, the Company provided allowance for doubtful accounts of 2,415 million baht or 3.63% of total accounts receivable. This is same level as at Q1/2016 and decreased from 3.81% at the end of previous fiscal year. The percentage account receivable 3 months overdue or non-performing loan ratio was 2.96%, the same as in Q1/2016 and decreased from 3.3% at the end of previous fiscal year. For the second quarter of 2016, the Company has set aside higher allowance for doubtful accounts to reserve for economic uncertainty. As a result, the coverage ratio of allowance for doubtful accounts to accounts receivable overdue more than 3 months (NPLs) was 123% in Q2/2016, increased from 115% at the end of fiscal year 2015.

Liabilities

As of August 31, 2016, the Company consolidated total liabilities were 61,021 million baht, showing an increase of 826 million baht or 1% from the end of fiscal year 2015. This was due to 2% increase in the total borrowings to 58,398 million baht. The portion of long-term borrowings was 39,531 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

As of August 31, 2016, the Company's shareholder equity reached 12,873 million baht, showing an increase of 616 million baht or 5% from the end of fiscal year 2015. Consequently, Book value as of August 31, 2016 was 51.5 baht per share, increasing from that of 49.0 baht per share as of February 29, 2016.

For six-month period 2016, the Company recorded return on equity (ROE) at 17.3% and return on asset (ROA) at 3.0% and equity ratio of 17.4%. Debt to Equity ratio as of August 31, 2016 slightly decreased to 4.7 times from 4.9 times as of February 29, 2016.

The Company also announced interim dividend payment for the first-half of fiscal year 2016 at the rate of 1.60 baht per share and payout ratio was 36.8%. 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 21, 2016 and October 25, 2016, respectively. The Company will pay dividend on November 7, 2016.

(Translation)

No. 31/2016

October 7, 2016

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 8/2016

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby reported the resolutions passed at the meeting of the Board of Directors No. 8/2016, held on October 7, 2016, from 10.00 a.m. as follows:

1. Unanimously approved the 1st half-year of Company's performance (March 1, 2016 – August 31, 2016);
2. Unanimously approved the consolidated reviewed 2nd quarter financial statements and six-month period of the Company ended August 31, 2016;
3. Unanimously approved interim dividend payment for the first-half of fiscal year 2016 (March 1, 2016 - August 31, 2016). The dividends will be paid at the rate of 1.60 baht per share, totaling 400,000,000 baht or 36.8% payout ratio. The shareholder register book for the right to receive dividends shall be recorded on October 21, 2016 and also October 25, 2016 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 November 7, 2016.
4. Notification of the Status of Eternal 6

The Company would like to inform that Eternal 6 Special Purpose Vehicle Company Limited ("Etenal 6"), a subsidiary of the Company with 26% shareholding which was incorporated under the Civil and Commercial Code and the Securitization Law of Thailand, whose securitization project was approved by the Office of the Securities and Exchange Commission ("SEC"), has already registered its dissolution with the Business Development Department, the Ministry of Commerce, on August 31, 2016 and it is on the process of liquidation.

Please be informed accordingly

Yours sincerely,

Kiyoyasu Asanuma
Managing Director