

**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 November 30, 2017 and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income for the three-month and nine-month periods ended November 30, 2017, and the consolidated and separate statements of changes in shareholders' equity and cash flows for the nine-month period ended November 30, 2017, 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 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

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

BANGKOK
January 8, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2017

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		November 30,	February 28,	November 30,	February 28,
		2017	2017	2017	2017
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	3,827,682	3,649,124	3,042,235	2,932,195
Accounts receivable and other receivables					
Accounts receivable	5	72,199,510	62,334,783	70,768,786	61,569,653
Other receivables		730,197	877,715	656,049	883,146
Seller loan in Special Purpose Vehicle for securitization due within one year	8	-	-	46,676	11,643
Receivables per currency swap contracts	12 and 14	112,392	741,888	112,392	741,888
Short-term loan to a related party	6	-	-	-	100,000
Other current assets		125,207	91,152	39,710	40,472
Total Current Assets		<u>76,994,988</u>	<u>67,694,662</u>	<u>74,665,848</u>	<u>66,278,997</u>
NON-CURRENT ASSETS					
Accounts receivable	5	892,361	1,533,412	260,646	393,704
Fixed deposits at banks under obligations		30,409	28,094	-	-
Investment in an associate	7.1 and 7.2	30,474	31,538	16,819	16,819
Investments in subsidiaries	7.2	-	-	1,028,011	957,401
Other long-term investments					
Related companies	7.3	20,349	26,717	20,349	26,717
Subordinated lendings	9.1	-	-	67,323	45,263
Leasehold improvement and equipment		882,449	1,044,852	636,237	770,128
Intangible assets		504,133	591,545	382,794	436,934
Receivables per currency swap contracts	12 and 14	220,623	1,098,175	220,623	1,098,175
Deferred tax assets	10	436,021	395,942	420,801	382,205
Other non-current assets		194,776	193,386	169,437	164,627
Total Non-Current Assets		<u>3,211,595</u>	<u>4,943,661</u>	<u>3,223,040</u>	<u>4,291,973</u>
TOTAL ASSETS		<u><u>80,206,583</u></u>	<u><u>72,638,323</u></u>	<u><u>77,888,888</u></u>	<u><u>70,570,970</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 NOVEMBER 30, 2017

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		November 30,	February 28,	November 30,	February 28,
		2017	2017	2017	2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	11	7,490,841	3,501,820	6,580,772	2,580,042
Accounts payable and other payables					
Accounts payable		478,019	456,979	402,521	322,281
Other payables		1,434,569	1,336,932	1,392,830	1,392,084
Current portion of :					
Liabilities under finance lease agreements		5,907	6,002	-	-
Long-term borrowings	12	13,420,630	9,391,461	13,420,630	9,031,436
Long-term debentures	14	1,537,324	3,472,286	1,537,324	3,472,286
Accrued income tax		224,451	266,452	179,904	257,037
Payables per currency swap contracts	12	953,078	228,854	953,078	228,854
Other current liabilities		170,820	164,258	140,146	142,641
Total Current Liabilities		<u>25,715,639</u>	<u>18,825,044</u>	<u>24,607,205</u>	<u>17,426,661</u>
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreements		6,433	10,884	-	-
Long-term borrowings	12	27,999,707	28,032,549	27,362,591	27,924,542
Long-term borrowings under					
securitization project	13	-	-	1,317,770	789,300
Long-term debentures	14	10,212,151	11,249,784	9,040,599	10,475,311
Payables per currency swap contracts	12 and 14	1,139,011	561,014	1,139,011	561,014
Subordinated borrowings	9.2	67,323	45,263	-	-
Employee benefit obligations	15	157,489	132,950	116,809	98,291
Other non-current liabilities		9,991	7,957	1,743	3,865
Total Non-Current Liabilities		<u>39,592,105</u>	<u>40,040,401</u>	<u>38,978,523</u>	<u>39,852,323</u>
TOTAL LIABILITIES		<u>65,307,744</u>	<u>58,865,445</u>	<u>63,585,728</u>	<u>57,278,984</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT NOVEMBER 30, 2017

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		November 30,	February 28,	November 30,	February 28,
		2017	2017	2017	2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY	16				
SHARE CAPITAL					
Authorized share capital					
250,000,000 ordinary shares of Baht 1 each		250,000	250,000	250,000	250,000
Issued and paid-up share capital					
250,000,000 ordinary shares of Baht 1 each, fully paid		250,000	250,000	250,000	250,000
PREMIUM ON ORDINARY SHARES		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		9,283,899	8,107,999	8,700,160	7,688,986
OTHER COMPONENTS OF EQUITY					
Exchange differences on translating					
financial statements of foreign operations		(75,123)	(31,975)	-	-
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		14,811,776	13,679,024	14,303,160	13,291,986
SHARE SUBSCRIPTION RECEIVED IN ADVANCE					
OF SUBSIDIARY		-	17,655	-	-
NON-CONTROLLING INTERESTS		87,063	76,199	-	-
TOTAL SHAREHOLDERS' EQUITY		14,898,839	13,772,878	14,303,160	13,291,986
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		80,206,583	72,638,323	77,888,888	70,570,970

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 NOVEMBER 30, 2017
“UNAUDITED”

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the three-month		For the three-month	
		periods ended		periods ended	
		November 30,	November 30,	November 30,	November 30,
		2017	2016	2017	2016
REVENUES					
Credit card income		1,691,855	1,622,103	1,778,570	1,718,717
Loan income		2,473,504	2,234,929	2,444,802	2,204,340
Hire-purchase income		89,786	91,666	19,529	33,263
Other income					
Bad debt recovery		149,088	133,686	149,088	133,686
Collection service income		58,402	77,385	1,366	1,964
Commission income		119,487	115,001	-	-
Dividend income		-	-	10,000	9,000
Others		94,882	84,976	34,964	29,281
Total Other income		421,859	411,048	195,418	173,931
Total Revenues		4,677,004	4,359,746	4,438,319	4,130,251
EXPENSES					
Operating and administrative expenses		1,972,909	1,831,393	1,843,189	1,674,125
Directors and managements' remuneration	18	44,083	42,170	25,715	22,996
Bad debts and doubtful accounts		1,184,567	1,367,095	1,146,040	1,333,282
Loss on sale and write off of leasehold improvement and equipment and intangible assets		870	1,471	300	1,447
Finance cost		526,945	515,598	574,058	544,911
Total Expenses		3,729,374	3,757,727	3,589,302	3,576,761
Share of profit from investment in an associate		271	543	-	-
PROFIT BEFORE INCOME TAX EXPENSE		947,901	602,562	849,017	553,490
INCOME TAX EXPENSE	19	189,054	120,578	164,390	106,447
NET PROFIT FOR THE PERIOD		758,847	481,984	684,627	447,043
NET PROFIT ATTRIBUTABLE TO :					
Owners of the parent		749,782	479,725	684,627	447,043
Non-controlling interests		9,065	2,259	-	-
		758,847	481,984	684,627	447,043
BASIC EARNINGS PER SHARE	BAHT	3.00	1.92	2.74	1.79
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 NOVEMBER 30, 2017
“UNAUDITED”

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month		For the three-month	
	periods ended		periods ended	
	November 30,	November 30,	November 30,	November 30,
	2017	2016	2017	2016
Net profit for the period	758,847	481,984	684,627	447,043
Other comprehensive loss, net of income tax				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translating				
financial statements of foreign operations				
- Owners of the parent	(8,030)	(20,740)	-	-
- Non-controlling interests	(1,503)	(1,674)	-	-
Other comprehensive loss for the period,				
net of income tax	(9,533)	(22,414)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	749,314	459,570	684,627	447,043
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO :				
Owners of the parent	741,752	458,985	684,627	447,043
Non-controlling interests	7,562	585	-	-
	749,314	459,570	684,627	447,043

BAHT '000

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS

FOR THE NINE-MONTH PERIOD ENDED NOVEMBER 30, 2017

“UNAUDITED”

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the nine-month periods ended		For the nine-month periods ended	
		November 30, 2017	November 30, 2016	November 30, 2017	November 30, 2016
REVENUES					
Credit card income		5,017,057	4,880,524	5,275,836	5,140,327
Loan income		7,034,708	6,787,483	6,931,983	6,718,740
Hire-purchase income		281,550	298,006	66,833	115,225
Other income					
Bad debt recovery		440,149	369,694	440,149	366,111
Collection service income		172,105	181,609	4,768	7,276
Commission income		361,623	352,625	-	-
Dividend income		-	-	58,000	54,000
Others		299,454	269,858	111,030	104,297
Total Other income		<u>1,273,331</u>	<u>1,173,786</u>	<u>613,947</u>	<u>531,684</u>
Total Revenues		<u>13,606,646</u>	<u>13,139,799</u>	<u>12,888,599</u>	<u>12,505,976</u>
EXPENSES					
Operating and administrative expenses		5,880,753	5,532,624	5,476,222	5,044,674
Directors and managements' remuneration	18	126,417	107,627	75,103	56,969
Bad debts and doubtful accounts		3,470,971	3,916,722	3,355,326	3,882,251
Loss on impairment of investment		6,368	-	6,368	-
Loss on sale and write off of leasehold improvement and equipment and intangible assets		6,078	5,190	5,218	5,154
Finance cost		1,567,797	1,599,269	1,670,480	1,682,971
Total Expenses		<u>11,058,384</u>	<u>11,161,432</u>	<u>10,588,717</u>	<u>10,672,019</u>
Share of profit (loss) from investment in an associate		(1,064)	585	-	-
PROFIT BEFORE INCOME TAX EXPENSE		<u>2,547,198</u>	<u>1,978,952</u>	<u>2,299,882</u>	<u>1,833,957</u>
INCOME TAX EXPENSE	19	493,347	399,702	426,212	321,700
NET PROFIT FOR THE PERIOD		<u><u>2,053,851</u></u>	<u><u>1,579,250</u></u>	<u><u>1,873,670</u></u>	<u><u>1,512,257</u></u>
NET PROFIT ATTRIBUTABLE TO :					
Owners of the parent		2,038,396	1,567,353	1,873,670	1,512,257
Non-controlling interests		15,455	11,897	-	-
		<u>2,053,851</u>	<u>1,579,250</u>	<u>1,873,670</u>	<u>1,512,257</u>
BASIC EARNINGS PER SHARE	BAHT	8.15	6.27	7.49	6.05
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 NINE-MONTH PERIOD ENDED NOVEMBER 30, 2017
 “UNAUDITED”

BAHT '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the nine-month		For the nine-month	
	periods ended		periods ended	
	November 30,	November 30,	November 30,	November 30,
	2017	2016	2017	2016
Net profit for the period	2,053,851	1,579,250	1,873,670	1,512,257
Other comprehensive loss, net of income tax				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translating				
financial statements of foreign operations				
- Owners of the parent	(43,148)	(17,282)	-	-
- Non-controlling interests	(6,619)	(3,803)	-	-
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	(49,767)	(24,500)	-	(3,415)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>2,004,084</u>	<u>1,554,750</u>	<u>1,873,670</u>	<u>1,508,842</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO :				
Owners of the parent	1,995,248	1,546,656	1,873,670	1,508,842
Non-controlling interests	8,836	8,094	-	-
	<u>2,004,084</u>	<u>1,554,750</u>	<u>1,873,670</u>	<u>1,508,842</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 NINE-MONTH PERIOD ENDED NOVEMBER 30, 2017

“UNAUDITED”

BAHT '000

Notes	CONSOLIDATED FINANCIAL STATEMENTS									
	Issued and paid-up share capital	Premium on ordinary shares	Owners of the parent		Other components of equity	Total owners of the parent	Share subscription received in advance of subsidiary	Non-controlling interests	Total shareholders' equity	
Retained earnings			Unappropriated	Appropriated						Reserve for business expansion
			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	16.1	-	-	-	(462,349)	-	(462,349)	-	(18,618)	(480,967)
Interim dividend paid	16.2	-	-	-	(399,930)	-	(399,930)	-	-	(399,930)
Net profit for the period		-	-	-	1,567,353	-	1,567,353	-	11,897	1,579,250
Other comprehensive loss		-	-	-	(3,415)	(17,282)	(20,697)	-	(3,803)	(24,500)
Ending balance, as at November 30, 2016	250,000	478,000	25,000	4,850,000	7,284,540	(30,357)	12,857,183	-	73,338	12,930,521

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
 FOR THE NINE-MONTH PERIOD ENDED NOVEMBER 30, 2017
 "UNAUDITED"

BAHT '000

Notes	CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)									
	Issued and paid-up share capital	Premium on ordinary shares	Owners of the parent Retained earnings		Other components of equity	Total owners of the parent	Share subscription received in advance of subsidiary	Non- controlling interests	Total shareholders' equity	
			Appropriated Legal reserve	Unappropriated Reserve for business expansion	Exchange differences on translating financial statements of foreign operations					
Beginning balance, as at March 1, 2017	250,000	478,000	25,000	4,850,000	8,107,999	(31,975)	13,679,024	17,655	76,199	13,772,878
Changes during the period										
Share subscription received in advance	-	-	-	-	-	-	-	(17,655)	-	(17,655)
Capital increase from non-controlling interests	-	-	-	-	-	-	-	-	17,655	17,655
Dividend paid 16.3	-	-	-	-	(462,498)	-	(462,498)	-	(15,627)	(478,125)
Interim dividend paid 16.4	-	-	-	-	(399,998)	-	(399,998)	-	-	(399,998)
Net profit for the period	-	-	-	-	2,038,396	-	2,038,396	-	15,455	2,053,851
Other comprehensive loss	-	-	-	-	-	(43,148)	(43,148)	-	(6,619)	(49,767)
Ending balance, as at November 30, 2017	250,000	478,000	25,000	4,850,000	9,283,899	(75,123)	14,811,776	-	87,063	14,898,839

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 NINE-MONTH PERIOD ENDED NOVEMBER 30, 2017

“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 March 1, 2016		250,000	478,000	25,000	4,850,000	6,249,126	11,852,126
Changes during the period							
Dividend paid	16.1	-	-	-	-	(462,349)	(462,349)
Interim dividend paid	16.2	-	-	-	-	(399,930)	(399,930)
Net profit for the period		-	-	-	-	1,512,257	1,512,257
Other comprehensive loss		-	-	-	-	(3,415)	(3,415)
Ending balance, as at November 30, 2016		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>6,895,689</u>	<u>12,498,689</u>
Beginning balance, as at March 1, 2017		250,000	478,000	25,000	4,850,000	7,688,986	13,291,986
Changes during the period							
Dividend paid	16.3	-	-	-	-	(462,498)	(462,498)
Interim dividend paid	16.4	-	-	-	-	(399,998)	(399,998)
Net profit for the period		-	-	-	-	1,873,670	1,873,670
Ending balance, as at November 30, 2017		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>8,700,160</u>	<u>14,303,160</u>

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED NOVEMBER 30, 2017

“UNAUDITED”

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the nine-month		For the nine-month	
		periods ended		periods ended	
		November 30,	November 30,	November 30,	November 30,
		2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax expense		2,547,198	1,978,952	2,299,882	1,833,957
Adjustments for:					
Shares of (profit) loss from investment in an associate		1,064	(585)	-	-
Bad debts and doubtful accounts		3,470,971	3,916,722	3,355,326	3,882,251
Depreciation		290,861	261,162	211,278	194,533
Amortization of intangible assets		140,974	161,014	105,635	127,406
Loss on sale of leasehold improvement and equipment		5,369	3,603	4,561	3,592
Loss on written-off of leasehold improvement and equipment		146	1,592	94	1,567
(Gain) loss on sale of intangible assets		563	(5)	563	(5)
Employee benefit expense		25,688	18,974	18,518	12,843
Loss on impairment of investment		6,368	-	6,368	-
Interest income		(7,926,850)	(7,255,050)	(7,332,579)	(6,969,733)
Dividend income		-	-	(58,000)	(54,000)
Finance cost		1,567,797	1,599,269	1,670,480	1,682,971
		<u>130,149</u>	<u>685,648</u>	<u>282,126</u>	<u>715,382</u>
Operating assets (increase) decrease					
Accounts receivable and other receivables		(12,404,234)	(5,433,276)	(13,262,659)	(6,360,731)
Other current assets		(34,055)	(14,725)	762	(934)
Other non-current assets		(1,390)	(21,329)	(4,810)	(20,491)
Operating liabilities increase (decrease)					
Accounts payable and other payables		254,138	123,915	240,516	(406,289)
Other current liabilities		6,562	(191,451)	(2,495)	(53,186)
Other non-current liabilities		2,034	(584)	(2,122)	(181)
Cash paid for operations		(12,046,796)	(4,851,802)	(12,748,682)	(6,126,430)
Proceeds from interest income		7,593,058	7,034,193	7,105,999	6,667,375
Dividend received		-	-	58,000	54,000
Finance cost paid		(1,680,866)	(1,763,588)	(1,809,806)	(1,840,598)
Income tax paid		(575,427)	(522,990)	(541,941)	(436,817)
Employee benefits paid		(1,149)	-	-	-
Net cash used in operating activities		<u>(6,711,180)</u>	<u>(104,187)</u>	<u>(7,936,430)</u>	<u>(1,682,470)</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED NOVEMBER 30, 2017

“UNAUDITED”

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the nine-month		For the nine-month	
		periods ended		periods ended	
		November 30,	November 30,	November 30,	November 30,
		2017	2016	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from short-term loan to a related company		-	-	100,000	-
Cash paid for fixed deposits at banks under obligations		(2,315)	-	-	-
Proceeds from fixed deposits at banks under obligations		-	6,954	-	-
Cash paid for purchase of leasehold improvement and equipment	4.2	(124,562)	(263,376)	(77,713)	(203,659)
Proceeds from sale of leasehold improvement and equipment		622	351	321	341
Cash paid for purchase of intangible assets	4.2	(50,926)	(86,794)	(48,858)	(54,926)
Proceeds from sale of intangible assets		-	22	-	22
Proceeds from capital refund from a subsidiary		-	-	10	-
Capital refund paid from dissolution of a subsidiary		(30)	-	-	-
Net cash used in investing activities		<u>(177,211)</u>	<u>(342,843)</u>	<u>(26,240)</u>	<u>(258,222)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from sale of additional revolving receivables under securitization projects		-	-	1,016,038	1,849,085
Proceeds from sale of written-off accounts receivable		173,487	-	173,487	-
Proceeds from bank overdrafts and short-term borrowings from financial institutions		34,713,758	177,939,984	33,806,339	175,836,979
Cash repayments for bank overdrafts and short-term borrowings from financial institutions		(30,724,737)	(178,683,509)	(29,805,609)	(176,786,979)
Cash paid for finance lease agreements		(4,943)	(369)	-	-
Proceeds from long-term borrowings		14,000,986	8,264,656	13,498,000	8,160,030
Cash repayments for long-term borrowings		(7,951,363)	(9,931,871)	(7,617,460)	(9,916,863)
Proceeds from long-term borrowings under securitization project		-	-	1,081,387	685,218
Cash repayments for long-term borrowings under securitization project		-	-	(574,976)	(519,014)
Proceeds from long-term debentures		997,079	4,174,802	600,000	3,950,300
Cash repayments for long-term debentures		(3,242,000)	(456,450)	(3,242,000)	(456,450)
Proceeds from subordinated borrowings		22,060	12,472	-	-
Dividend paid		(467,613)	(467,064)	(462,498)	(462,349)
Interim dividend paid		(399,998)	(399,930)	(399,998)	(399,930)
Net cash provided by financing activities		<u>7,116,716</u>	<u>452,721</u>	<u>8,072,710</u>	<u>1,940,027</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED NOVEMBER 30, 2017
“UNAUDITED”

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the nine-month		For the nine-month	
		periods ended		periods ended	
		November 30,	November 30,	November 30,	November 30,
		2017	2016	2017	2016
Net increase (decrease) in cash and cash equivalents		228,325	5,691	110,040	(665)
Decrease in exchange differences on translating financial statements of foreign operations		(49,767)	(21,085)	-	-
Cash and cash equivalents at beginning of the period		3,649,124	3,808,571	2,932,195	3,129,591
Cash and cash equivalents at the end of the period	4.1	<u>3,827,682</u>	<u>3,793,177</u>	<u>3,042,235</u>	<u>3,128,926</u>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED NOVEMBER 30, 2017
“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 Limited Company 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., incorporated in Japan, is the ultimate parent company of the group.

The Company has subsidiaries which are under its control in finance and operations and an associate which the Company has significant influence, but no control or joint control, over the financial and operating policies as mentioned in Notes 2.5, 7.1 and 7.2.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2016) “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

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

2.2 The interim consolidated and separate financial statements for the three-month and nine-month periods ended November 30, 2017 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 28, 2017, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which have been audited.

2.3 The unaudited results of operations presented in the three-month and nine-month periods ended November 30, 2017 are not necessarily an indication nor anticipation of the operating results for the full year.

2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRSs, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and nine-month periods ended November 30, 2017 should be read in conjunction with the audited financial statements for the year ended February 28, 2017.

2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from this interim consolidated financial statements. The interim consolidated financial statements for the three-month and nine-month periods ended November 30, 2017 have included the subsidiaries' interim financial information which were reviewed.

For the three-month and nine-month periods ended November 30, 2017 and 2016, 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 nine-month periods ended November 30,	
				2017	2016
Eternal 5 Special Purpose Vehicle Company Limited*	Special purpose juristic person in securitization projects	Thailand	April 5, 2010	-	26.00
Eternal 6 Special Purpose Vehicle Company Limited**	Special purpose juristic person in securitization projects	Thailand	March 14, 2013	-	26.00
ACS Servicing (Thailand) Company Limited	Collection servicer	Thailand	March 13, 2007	100.00	100.00
AEON Insurance Service (Thailand) Company Limited	Non-life insurance broker and life insurance broker	Thailand	July 1, 2013	100.00	100.00
AEON Specialized Bank (Cambodia) Plc.	Retail finance business	Cambodia	October 5, 2011	80.00	80.00
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	100.00
ATS Rabbit Special Purpose Vehicle Company Limited****	Special purpose juristic person in securitization projects	Thailand	March 20, 2015	48.75	48.75

* Eternal 5 Special Purpose Vehicle Company Limited had registered the dissolution and the liquidation with the Department of Business Development, Ministry of Commerce on August 20, 2013, and February 9, 2017, respectively.

** Eternal 6 Special Purpose Vehicle Company Limited had registered the dissolution and the liquidation with the Department of Business Development, Ministry of Commerce on August 31, 2016, and June 29, 2017, respectively (see Notes 5.5 and 7.2).

*** The Company indirectly holds shares of AEON Leasing Service (Lao) Company Limited 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 nine-month periods ended November 30, 2017 and 2016 included equity interests in an associated company as follows:

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings	
				For the three-month and nine-month periods ended November 30,	
				2017	2016
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.

- 2.6 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 nine-month periods ended November 30, 2017	November 30, 2016
Subsidiaries		
ACS Servicing (Thailand) Company Limited	September 30, 2017	September 30, 2016
AEON Insurance Service (Thailand) Company Limited	September 30, 2017	September 30, 2016
AEON Specialized Bank (Cambodia) Plc.	September 30, 2017	September 30, 2016
AEON Microfinance (Myanmar) Company Limited	September 30, 2017	September 30, 2016
AEON Leasing Service (Lao) Company Limited	September 30, 2017	September 30, 2016
Associate		
ACS Trading Vietnam Company Limited	September 30, 2017	September 30, 2016

2.7 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group and the Company have adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions (“FAP”) which become effective for fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s and the Company’s financial statements.

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

The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards (TFRSs) that will be effective for the financial statements for the period beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Group’s and the Company’s management will adopt such TFRSs in the preparation of the Group’s and the Company’s financial statements when it becomes effective. The Group’s and the Company’s management is in the process to assess the impact of these TFRSs on the financial statements of the Group and the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended February 28, 2017.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at November 30, 2017 and February 28, 2017 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at November 30, 2017 Baht '000	As at February 28, 2017 Baht '000	As at November 30, 2017 Baht '000	As at February 28, 2017 Baht '000
Cash	1,371,700	1,504,677	1,348,623	1,404,243
Deposits at bank - call deposits	2,455,982	2,144,447	1,693,612	1,527,952
Cash and cash equivalents	<u>3,827,682</u>	<u>3,649,124</u>	<u>3,042,235</u>	<u>2,932,195</u>

4.2 Cash paid for purchase of leasehold improvement and equipment and intangible assets for the nine-month periods ended November 30, 2017 and 2016, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017 Baht '000	2016 Baht '000	2017 Baht '000	2016 Baht '000
Leasehold improvement and equipment				
Liabilities recorded - brought forward	10,042	15,500	10,042	15,500
Purchase of leasehold improvement and Equipment	134,594	284,350	82,363	224,633
	<u>144,636</u>	<u>299,850</u>	<u>92,405</u>	<u>240,133</u>
<u>Less</u> Cash paid for purchase of leasehold improvement and equipment	<u>(124,562)</u>	<u>(263,376)</u>	<u>(77,713)</u>	<u>(203,659)</u>
Liabilities recorded - carried forward	<u>20,074</u>	<u>36,474</u>	<u>14,692</u>	<u>36,474</u>
Intangible assets				
Liabilities recorded - brought forward	3,897	366	3,897	366
Purchase of intangible assets	54,125	88,836	52,057	56,968
	<u>58,022</u>	<u>89,202</u>	<u>55,954</u>	<u>57,334</u>
<u>Less</u> Cash paid for purchase of intangible assets	<u>(50,926)</u>	<u>(86,794)</u>	<u>(48,858)</u>	<u>(54,926)</u>
Liabilities recorded - carried forward	<u>7,096</u>	<u>2,408</u>	<u>7,096</u>	<u>2,408</u>

4.3 During the nine-month periods ended November 30, 2017 and 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 22.06 million and Baht 35.03 million, respectively, and increasing the Subordinated lendings Account of Baht 12.47 million and decreasing the Seller loan Account of Baht 22.98 million, respectively, instead of cash receipt.

5. ACCOUNTS RECEIVABLE

5.1 Accounts receivable as at November 30, 2017 and February 28, 2017, consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at	As at	As at	As at
November 30,	February 28,	November 30,	February 28,	
2017	2017	2017	2017	
Baht '000	Baht '000	Baht '000	Baht '000	
Accounts receivable	74,119,447	65,338,844	71,999,655	63,385,828
Accounts receivable under securitization project				
- ATS Rabbit Special Purpose Vehicle				
Company Limited	1,317,770	789,300	1,317,770	789,300
Total	75,437,217	66,128,144	73,317,425	64,175,128
Less Allowance for doubtful accounts	(2,345,346)	(2,259,949)	(2,287,993)	(2,211,771)
Total accounts receivable	73,091,871	63,868,195	71,029,432	61,963,357
Accounts receivable due within 1 year	72,199,510	62,334,783	70,768,786	61,569,653
Accounts receivable due after 1 year	892,361	1,533,412	260,646	393,704
Total accounts receivable	73,091,871	63,868,195	71,029,432	61,963,357

As the securitization transaction under the Receivables Sale and Purchase Agreement for transferred rights on loan receivables with ATS Rabbit Special Purpose Vehicle Company Limited does not qualify for derecognition of financial assets according to the “Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities” issued by the FAP, the Company continues to recognize the full carrying amount of these receivables and used as collateral of long-term borrowings under the securitization project (see Note 5.5).

As at November 30, 2017 and February 28, 2017, accounts receivable are as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
“Unaudited”						
	As at November 30, 2017			As at February 28, 2017		
	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000
Hire-purchase receivable						
Hire-purchase and accrued interest receivable	725,986	595,336	1,321,322	553,005	988,150	1,541,155
<u>Less</u> Unearned financing income	(50,534)	(14,974)	(65,508)	(75,608)	(21,181)	(96,789)
	675,452	580,362	1,255,814	477,397	966,969	1,444,366
<u>Less</u> Allowance for doubtful accounts	(45,710)	-	(45,710)	(53,475)	-	(53,475)
Hire-purchase and accrued interest receivable - net	629,742	580,362	1,210,104	423,922	966,969	1,390,891
Loans receivable						
Loans and accrued interest receivable	39,477,463	311,999	39,789,462	35,260,083	566,443	35,826,526
<u>Less</u> Allowance for doubtful accounts	(1,361,567)	-	(1,361,567)	(1,352,365)	-	(1,352,365)
Loans and accrued interest receivable - net	38,115,896	311,999	38,427,895	33,907,718	566,443	34,474,161
Credit card receivable						
Credit card and accrued interest receivable	34,267,980	-	34,267,980	28,711,152	-	28,711,152
<u>Less</u> Allowance for doubtful accounts	(936,920)	-	(936,920)	(853,536)	-	(853,536)
Credit card and accrued interest receivable - net	33,331,060	-	33,331,060	27,857,616	-	27,857,616
Receivable from rendering the collection service						
Receivable from rendering the collection service	49,308	-	49,308	47,474	-	47,474
<u>Less</u> Allowance for doubtful accounts	(1,149)	-	(1,149)	(573)	-	(573)
Receivable from rendering the collection service - net	48,159	-	48,159	46,901	-	46,901
Receivable from insurance broker business						
	74,653	-	74,653	98,626	-	98,626
Total accounts receivable	<u>72,199,510</u>	<u>892,361</u>	<u>73,091,871</u>	<u>62,334,783</u>	<u>1,533,412</u>	<u>63,868,195</u>

SEPARATE FINANCIAL STATEMENTS

“Unaudited”

	As at November 30, 2017			As at February 28, 2017		
	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	262,392	108,948	371,340	386,773	153,968	540,741
<u>Less</u> Unearned financing income	<u>(50,534)</u>	<u>(14,974)</u>	<u>(65,508)</u>	<u>(75,608)</u>	<u>(21,181)</u>	<u>(96,789)</u>
	211,858	93,974	305,832	311,165	132,787	443,952
<u>Less</u> Allowance for doubtful accounts	<u>(12,755)</u>	<u>-</u>	<u>(12,755)</u>	<u>(19,749)</u>	<u>-</u>	<u>(19,749)</u>
Hire-purchase and accrued interest receivable - net	<u>199,103</u>	<u>93,974</u>	<u>293,077</u>	<u>291,416</u>	<u>132,787</u>	<u>424,203</u>
Loans receivable						
Loans and accrued interest receivable	38,755,009	166,672	38,921,681	34,865,083	260,917	35,126,000
<u>Less</u> Allowance for doubtful accounts	<u>(1,342,015)</u>	<u>-</u>	<u>(1,342,015)</u>	<u>(1,338,553)</u>	<u>-</u>	<u>(1,338,553)</u>
Loans and accrued interest receivable - net	<u>37,412,994</u>	<u>166,672</u>	<u>37,579,666</u>	<u>33,526,530</u>	<u>260,917</u>	<u>33,787,447</u>
Credit card receivable						
Credit card and accrued interest receivable	34,089,912	-	34,089,912	28,605,176	-	28,605,176
<u>Less</u> Allowance for doubtful accounts	<u>(933,223)</u>	<u>-</u>	<u>(933,223)</u>	<u>(853,469)</u>	<u>-</u>	<u>(853,469)</u>
Credit card and accrued interest receivable - net	<u>33,156,689</u>	<u>-</u>	<u>33,156,689</u>	<u>27,751,707</u>	<u>-</u>	<u>27,751,707</u>
Total accounts receivable	<u>70,768,786</u>	<u>260,646</u>	<u>71,029,432</u>	<u>61,569,653</u>	<u>393,704</u>	<u>61,963,357</u>

5.2 Quality of assets

Accounts receivable as at November 30, 2017 and February 28, 2017, classified by aging, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at November 30, 2017	As at February 28, 2017	As at November 30, 2017	As at February 28, 2017
	Baht '000	Baht '000	Baht '000	Baht '000
Less than 3 months	73,758,522	64,335,597	71,690,674	62,421,244
3 months up	1,678,695	1,792,547	1,626,751	1,753,884
Total	75,437,217	66,128,144	73,317,425	64,175,128
<u>Less</u> Allowance for doubtful accounts	<u>(2,345,346)</u>	<u>(2,259,949)</u>	<u>(2,287,993)</u>	<u>(2,211,771)</u>
Total accounts receivable	<u>73,091,871</u>	<u>63,868,195</u>	<u>71,029,432</u>	<u>61,963,357</u>

5.3 Troubled debt restructuring

For the three-month periods ended November 30, 2017 and 2016, the Company had recognized interest income on restructured debts totaling Baht 39.92 million and Baht 29.66 million, respectively.

For the nine-month periods ended November 30, 2017 and 2016, the Company had recognized interest income on restructured debts totaling Baht 168.69 million and Baht 165.94 million, respectively.

The Company had the outstanding balances of credit card receivables, hire-purchase receivables and loan receivables as at November 30, 2017 and February 28, 2017 as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	“Unaudited”			
	As at November 30, 2017		As at February 28, 2017	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	46,820	1,505,798	46,971	1,462,147
Non-restructured accounts receivable	3,540,160	73,807,458	3,644,082	64,519,897
Total	3,586,980	75,313,256	3,691,053	65,982,044

	SEPARATE FINANCIAL STATEMENTS			
	“Unaudited”			
	As at November 30, 2017		As at February 28, 2017	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	46,820	1,505,798	46,971	1,462,147
Non-restructured accounts receivable	3,288,321	71,811,627	3,392,243	62,712,981
Total	3,335,141	73,317,425	3,439,214	64,175,128

As at November 30, 2017 and February 28, 2017, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

5.4 Allowance for doubtful accounts

Allowance for doubtful accounts as at November 30, 2017 and February 28, 2017, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at November 30, 2017	As at February 28, 2017	As at November 30, 2017	As at February 28, 2017
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	2,259,949	2,411,968	2,211,771	2,274,306
Bad debts and doubtful accounts	3,470,971	5,117,260	3,355,326	5,041,199
Gain on devaluation of long-term borrowings under securitization project	-	-	69,158	71,928
Written-off bad debts	(3,385,574)	(5,269,279)	(3,348,262)	(5,175,662)
Ending balance	2,345,346	2,259,949	2,287,993	2,211,771

5.5 Transfers of financial assets

The Company entered into the Receivables Sale and Purchase Agreements with 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 6**	ATS Rabbit***
Approved date of the securitization projects by the Office of the Securities and Exchange Commission of Thailand (the "SEC")		May 10, 2013	October 2, 2015
Initial selling date		May 20, 2013	October 29, 2015
Type of transferred receivables		Credit card receivable	Loans receivable
Revolving period		April 2013 - April 2018 (approximately)	October 2015 - October 2025 (approximately)
Initial sales of receivables			
Net book value of initial receivables	Baht	4,500,002,090	456,076,200
Proceeds from transfer of the rights of receivables	Baht	2,960,000,000	433,272,390
Subordinated lendings (see Note 9.1)	Baht	1,399,351,988	50,081,313
Minimum seller loans - pari passu with debentures	Baht	130,780,560	None
Number of contracts		183,047	49,225
Average principal amount outstanding	Baht	24,584	9,265
Interest rate		20% p.a.	28% p.a.

* 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 June 8, 2016, Eternal 6 redeemed all seller loan in special purpose vehicle for securitization, subordinated lendings 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. On August 31, 2016, the Extraordinary Shareholders' Meeting 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 registered the completion of the liquidation process with the Department of Business Development, Ministry of Commerce on June 29, 2017 (see Note 7.2).

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 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.

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 nine-month periods ended November 30, 2017 and 2016, transactions relating to the transfers of financial assets under the securitization projects are summarized as follows:

	For the three-month periods ended		For the nine-month periods ended	
	November 30, 2017	November 30, 2016	November 30, 2017	November 30, 2016
	Million Baht	Million Baht	Million Baht	Million Baht
Transfers of future receivables (at book value)				
- Credit card receivable (Eternal 6)	-	-	-	1,411
- Loan receivable (ATS Rabbit)	425	62	1,016	438
	<u>425</u>	<u>62</u>	<u>1,016</u>	<u>1,849</u>
Cash collection on behalf of Special Purpose Vehicles				
- Credit card receivable (Eternal 6)	-	-	-	1,678
- Loan receivable (ATS Rabbit)	261	77	762	505
	<u>261</u>	<u>77</u>	<u>762</u>	<u>2,183</u>
Servicing income on cash collection from Special Purpose Vehicles				
- Credit card receivable (Eternal 6)	-	7	-	63
- Loan receivable (ATS Rabbit)	17	10	39	28
	<u>17</u>	<u>17</u>	<u>39</u>	<u>91</u>

6. SHORT-TERM LOAN TO A RELATED PARTY

As at February 28, 2017, the Company had 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 has interest rate at the policy interest rate of the Bank of Thailand plus margin of 0.50% per annum. Subsequently, on September 26, 2017, the whole amount of loan has been repaid by the subsidiary (see Note 20.2.1).

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

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

7.1 Investment in an associate in the consolidated financial statements

As at November 30, 2017 and February 28, 2017, the Company had investment in an entity, which is an associate and is accounted for using the equity method in the consolidated financial statements as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
"Unaudited"						
			As at November 30, 2017		As at February 28, 2017	
Paid-up capital	% of Ownership		Cost	Equity	Cost	Equity
			method	method	method	method
			Baht '000	Baht '000	Baht '000	Baht '000
Investment in an associate						
ACS Trading Vietnam						
Company Limited	VND 50,000 million	20.00	16,819.3	30,474.0	16,819.3	31,538.0
Total investment in an associate			<u>16,819.3</u>	<u>30,474.0</u>	<u>16,819.3</u>	<u>31,538.0</u>

7.2 Investments in an associate and subsidiaries in the separate financial statements

As at November 30, 2017 and February 28, 2017, the Company had investments in an associate and subsidiaries which are accounted for using the cost method in the separate financial statements as follows:

	SEPARATE FINANCIAL STATEMENTS “Unaudited”			
	As at November 30, 2017		As at February 28, 2017	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Investments in an associate and subsidiaries				
Investment in an associate (see Note 20.1)				
ACS Trading Vietnam Company Limited	20.00	16,819.3	20.00	16,819.3
Total an investment in an associate		<u>16,819.3</u>		<u>16,819.3</u>
Investments in subsidiaries (see Note 20.1)				
Eternal 6 Special Purpose Vehicle Company Limited	-	-	26.00	10.4
ACS Servicing (Thailand) Company Limited	100.00	175,349.1	100.00	175,349.1
AEON Insurance Service (Thailand) Company Limited	100.00	149,224.3	100.00	149,224.3
AEON Specialized Bank (Cambodia) Plc.	80.00	323,580.0	80.00	252,960.0
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
ATS Rabbit Special Purpose Vehicle Company Limited	48.75	19.5	48.75	19.5
Total investments in subsidiaries		<u>1,028,011.1</u>		<u>957,401.5</u>
Total investments in an associate and subsidiaries		<u>1,044,830.4</u>		<u>974,220.8</u>

- (1) On August 31, 2016, the Extraordinary Shareholders’ Meeting of Eternal 6 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 registered the completion of the liquidation process with the Department of Business Development, Ministry of Commerce on June 29, 2017 (see Note 5.5).
- (2) On January 30, 2017, the Company paid for the capital injection to AEON Specialized Bank (Cambodia) Plc., which is a subsidiary of the Company, amounting to USD 2 million or equivalent to Baht 70.62 million according to the resolutions to approve the capital injection to AEON Specialized Bank (Cambodia) Plc. from the Board of Directors’ Meeting on December 8, 2016. Subsequently, the subsidiary registered the increased share capital on March 16, 2017. The Company still maintains 80% of shareholding in the subsidiary.

7.3 Long-term investments in related companies as at November 30, 2017 and February 28, 2017, consist of:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS “Unaudited”			
	As at November 30, 2017		As at February 28, 2017	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Long-term investments in related companies				
AEON (Thailand) Co., Ltd. (340,000 shares of Baht 100 each, Baht 25 called up)	5.23	8,500	5.23	8,500
PT. AEON Credit Service Indonesia (173 shares of IDR 30 million each, par value of IDR 30 million, fully paid)	5.18	19,072	5.18	19,072
AEON Credit Service Systems (Philippines) Inc. (100,000 shares of PHP 100 each, par value of PHP 100, fully paid)	3.33	7,645	3.33	7,645
		<u>35,217</u>		<u>35,217</u>
<u>Less</u> Allowance for impairment of investment		<u>(14,868)</u>		<u>(8,500)</u>
Total long-term investments in related companies		<u>20,349</u>		<u>26,717</u>

8. SELLER LOAN IN SPECIAL PURPOSE VEHICLE FOR SECURITIZATION

Seller loan in Special Purpose Vehicle for securitization as at November 30, 2017 and February 28, 2017, are as follows:

	SEPARATE FINANCIAL STATEMENTS "Unaudited"	
	As at November 30, 2017 Baht '000	As at February 28, 2017 Baht '000
Seller loan in Special Purpose Vehicle for securitization (see Note 20.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	46,676	11,643
<u>Less</u> Seller loan in Special Purpose Vehicle for securitization due within one year	<u>(46,676)</u>	<u>(11,643)</u>
Total Seller loan in Special Purpose Vehicle for securitization	<u>-</u>	<u>-</u>

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 Account under securitization project for sale of additional revolving loans receivable during the revolving period or repurchased the rights on loans receivable. Such Seller loan Account will decrease from cash repayment when the outstanding amount reaches or exceeds the determined level, or every 3-month period after the payment date as agreed in the agreement, whichever is earlier.

9. SUBORDINATED LENDINGS AND SUBORDINATED BORROWINGS

9.1 Subordinated lendings to Special Purpose Vehicle as at November 30, 2017 and February 28, 2017, are as follows:

	SEPARATE FINANCIAL STATEMENTS "Unaudited"	
	As at November 30, 2017 Baht '000	As at February 28, 2017 Baht '000
Subordinated lendings (see Note 20.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	<u>67,323</u>	<u>45,263</u>
Total subordinated lendings	<u>67,323</u>	<u>45,263</u>

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 and originated transaction cost, and of Future Receivables and Additional Receivables, which are settled by Seller loan Account and backed for each debenture issuance of ATS Rabbit, for the purpose of partial payment for the sales of rights in loans receivable.

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

9.2 Subordinated borrowings of Special Purpose Vehicle are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		
	As at November 30, 2017 Baht '000	As at February 28, 2017 Baht '000	
	Subordinated borrowings		
	ATS Rabbit Special Purpose Vehicle Company Limited (ATC Rabbit)	67,323	45,263
Total subordinated borrowings	<u>67,323</u>	<u>45,263</u>	

On October 22, 2015, ATS Rabbit, a subsidiary, entered into the subordinated term borrowings agreement with BSS Holdings Co., Ltd. amounting to 5% of transferred rights in initial receivables 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 borrowings are due within the year 2025 and the interest is repayable on the monthly basis at the rate of 12% per annum.

10. DEFERRED TAX ASSETS

Deferred tax assets as at November 30, 2017 and February 28, 2017, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”		
	As at November 30, 2017 Baht '000	As at February 28, 2017 Baht '000	As at November 30, 2017 Baht '000	As at February 28, 2017 Baht '000	
	Deferred tax assets				
	Allowance for doubtful accounts	463,047	447,959	457,599	442,354
Non-accrual of interest income	35,926	39,585	35,336	38,961	
Employee benefit obligations	31,498	26,590	23,361	19,658	
Deferred revenue from customer loyalty programs	41,151	26,588	41,151	26,588	
Others	4,594	3,268	2,973	1,700	
	<u>576,216</u>	<u>543,990</u>	<u>560,420</u>	<u>529,261</u>	
Deferred tax liabilities					
Unrealized loss on exchange rate of currency swap contracts	139,619	147,056	139,619	147,056	
Others	576	992	-	-	
	<u>140,195</u>	<u>148,048</u>	<u>139,619</u>	<u>147,056</u>	
Deferred tax assets	<u>436,021</u>	<u>395,942</u>	<u>420,801</u>	<u>382,205</u>	

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

CONSOLIDATED FINANCIAL STATEMENTS				
“Unaudited”				
	Balance as at February 28, 2017	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at November 30, 2017
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	447,959	15,088	-	463,047
Non-accrual of interest income	39,585	(3,659)	-	35,926
Employee benefit obligations	26,590	4,908	-	31,498
Deferred revenue from customer loyalty programs	26,588	14,563	-	41,151
Others	3,268	1,326	-	4,594
	<u>543,990</u>	<u>32,226</u>	<u>-</u>	<u>576,216</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	147,056	(7,437)	-	139,619
Others	992	(416)	-	576
	<u>148,048</u>	<u>(7,853)</u>	<u>-</u>	<u>140,195</u>
Deferred tax assets	<u>395,942</u>	<u>40,079</u>	<u>-</u>	<u>436,021</u>

CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at February 29, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at February 28, 2017
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	481,107	(33,148)	-	447,959
Non-accrual of interest income	65,194	(25,609)	-	39,585
Employee benefit obligations	17,803	4,770	4,017	26,590
Deferred revenue from customer loyalty programs	26,639	(51)	-	26,588
Others	2,217	1,051	-	3,268
	<u>592,960</u>	<u>(52,987)</u>	<u>4,017</u>	<u>543,990</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	131,406	15,650	-	147,056
Others	2,455	(1,463)	-	992
	<u>133,861</u>	<u>14,187</u>	<u>-</u>	<u>148,048</u>
Deferred tax assets	<u>459,099</u>	<u>(67,174)</u>	<u>4,017</u>	<u>395,942</u>

SEPARATE FINANCIAL STATEMENTS

“Unaudited”

	Balance as at February 28, 2017	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at November 30, 2017
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	442,354	15,245	-	457,599
Non-accrual of interest income	38,961	(3,625)	-	35,336
Employee benefit obligations	19,658	3,703	-	23,361
Deferred revenue from customer loyalty programs	26,588	14,563	-	41,151
Others	1,700	1,273	-	2,973
	<u>529,261</u>	<u>31,159</u>	<u>-</u>	<u>560,420</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	147,056	(7,437)	-	139,619
	<u>147,056</u>	<u>(7,437)</u>	<u>-</u>	<u>139,619</u>
Deferred tax assets	<u>382,205</u>	<u>38,596</u>	<u>-</u>	<u>420,801</u>

SEPARATE FINANCIAL STATEMENTS

	Balance as at February 29, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at February 28, 2017
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	454,861	(12,507)	-	442,354
Non-accrual of interest income	63,290	(24,329)	-	38,961
Employee benefit obligations	11,934	3,256	4,468	19,658
Deferred revenue from customer loyalty programs	26,639	(51)	-	26,588
Others	1,700	-	-	1,700
	<u>558,424</u>	<u>(33,631)</u>	<u>4,468</u>	<u>529,261</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	131,406	15,650	-	147,056
	<u>131,406</u>	<u>15,650</u>	<u>-</u>	<u>147,056</u>
Deferred tax assets	<u>427,018</u>	<u>(49,281)</u>	<u>4,468</u>	<u>382,205</u>

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

Bank overdrafts and short-term borrowings from financial institutions as at November 30, 2017 and February 28, 2017, consist of the following:

CONSOLIDATED FINANCIAL STATEMENTS				
“Unaudited”				
	As at November 30, 2017		As at February 28, 2017	
	Interest rate	Baht '000	Interest rate	Baht '000
	% (p.a.)		% (p.a.)	
Overdrafts in THB currency	1.70	780,772	1.70	42
Short term borrowings in THB currency	1.60 - 1.93	5,800,000	1.60 - 2.26	2,580,000
Short term borrowings in USD currency	1.98 - 2.58	307,157	1.48 - 1.88	564,879
Short term borrowings in LAK currency	6.40 - 10.50	211,600	7.12 - 10.50	150,260
Short term borrowings in MMK currency	11.70 - 12.50	391,312	12.50	206,639
Total		7,490,841		3,501,820

SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
	As at November 30, 2017		As at February 28, 2017	
	Interest rate	Baht '000	Interest rate	Baht '000
	% (p.a.)		% (p.a.)	
Overdrafts in THB currency	1.70	780,772	1.70	42
Short term borrowings in THB currency	1.60 - 1.93	5,800,000	1.60 - 2.26	2,580,000
Total		6,580,772		2,580,042

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

12. LONG-TERM BORROWINGS

As at November 30, 2017 and February 28, 2017, the Company entered into various long-term borrowings agreements in THB and foreign currencies as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
“Unaudited”				
	Due within the year	As at November 30, 2017		
		Interest rate % (p.a.)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2018 - 2022	3.16 - 5.26	46,800.00	13,795,096
Borrowings in USD currency	2017 - 2022	2.22 - 3.35	565.49	18,541,236
Borrowings in THB currency	2018 - 2022	2.44 - 3.30	9,150.00	9,150,000
<u>Less</u> Borrowings issuance cost				<u>(65,995)</u>
				41,420,337
<u>Less</u> Current portion of long-term borrowings				<u>(13,420,630)</u>
Total long-term borrowings				27,999,707

CONSOLIDATED FINANCIAL STATEMENTS

As at February 28, 2017

	Due within the year	Interest rate % (p.a.)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2017 - 2021	3.16 - 5.26	47,500.00	14,890,443
Borrowings in USD currency	2017 - 2021	2.16 - 4.32	508.99	17,853,787
Borrowings in THB currency	2017 - 2019	2.48 - 4.70	4,750.00	4,750,000
<u>Less</u> Borrowings issuance cost				(70,220)
				<u>37,424,010</u>
<u>Less</u> Current portion of long-term borrowings				(9,391,461)
Total long-term borrowings				<u><u>28,032,549</u></u>

SEPARATE FINANCIAL STATEMENTS

“Unaudited”

As at November 30, 2017

	Due within the year	Interest rate % (p.a.)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2018 - 2022	3.16 - 5.26	46,800.00	13,795,096
Borrowings in USD currency	2017 - 2022	2.22 - 3.35	546.49	17,904,120
Borrowings in THB currency	2018 - 2022	2.44 - 3.30	9,150.00	9,150,000
<u>Less</u> Borrowings issuance cost				(65,995)
				<u>40,783,221</u>
<u>Less</u> Current portion of long-term borrowings				(13,420,630)
Total long-term borrowings				<u><u>27,362,591</u></u>

SEPARATE FINANCIAL STATEMENTS

As at February 28, 2017

	Due within the year	Interest rate % (p.a.)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2017 - 2021	3.16 - 5.26	47,500.00	14,890,443
Borrowings in USD currency	2017 - 2021	2.22 - 4.32	495.99	17,385,755
Borrowings in THB currency	2017 - 2019	2.48 - 4.70	4,750.00	4,750,000
<u>Less</u> Borrowings issuance cost				(70,220)
				<u>36,955,978</u>
<u>Less</u> Current portion of long-term borrowings				(9,031,436)
Total long-term borrowings				<u><u>27,924,542</u></u>

In the consolidated and separate financial statements as at November 30, 2017 and February 28, 2017, 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 1,470.28 million and JPY 5,000.00 million or equivalent to Baht 1,562.79 million, respectively, with interest rate at 4.16% - 4.84% per annum which are unsecured and will be due in the year 2019 and 2021 (see Note 20.2.1).

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
As at November 30, 2017				
	Notional amount Baht '000	Carrying amount		Total Baht '000
		Less than 1 year Baht '000	1 - 5 years Baht '000	
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	2,883,750	50,168	161,136	211,304
USD currency	972,600	10,260	-	10,260
	<u>3,856,350</u>	<u>60,428</u>	<u>161,136</u>	<u>221,564</u>
Payables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	11,804,722	(802,318)	(302,362)	(1,104,680)
USD currency	17,536,830	(150,760)	(464,809)	(615,569)
	<u>29,341,552</u>	<u>(953,078)</u>	<u>(767,171)</u>	<u>(1,720,249)</u>
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2017				
	Notional amount Baht '000	Carrying amount		Total Baht '000
		Less than 1 year Baht '000	1 - 5 years Baht '000	
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	4,450,000	-	408,986	408,986
USD currency	13,548,790	505,469	356,997	862,466
	<u>17,998,790</u>	<u>505,469</u>	<u>765,983</u>	<u>1,271,452</u>
Payables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	10,695,472	(228,854)	(435,162)	(664,016)
USD currency	3,023,100	-	(48,601)	(48,601)
	<u>13,718,572</u>	<u>(228,854)</u>	<u>(483,763)</u>	<u>(712,617)</u>

13. LONG-TERM BORROWINGS UNDER SECURITIZATION PROJECT

As at November 30, 2017 and February 28, 2017, the Company recognized the cash received which was settled by the Subordinated Lendings Account from the transferred rights on loans receivable under securitization project of ATS Rabbit Special Purpose Vehicle Company Limited (see Note 5.5) as long-term borrowings under securitization project in the separate financial statements in the amount of Baht 1,317.77 million and Baht 789.30 million, respectively.

14. LONG-TERM DEBENTURES

Long-term debentures represent unsubordinated and unsecured debentures as at November 30, 2017 and February 28, 2017, as follows:

Issue date	Maturity Date	No. of units	Currency	Par value per unit	Amount	Interest rate % (p.a.)	Term of interest payment	"Unaudited"	
								As at November 30, 2017 Baht '000	As at February 28, 2017 Baht '000
Company									
30/08/2012	30/08/2017	30	USD	1,000,000	30,000,000	USD-LIBOR 3M	Quarterly	-	1,051,578
13/09/2012	13/09/2017	20	USD	1,000,000	20,000,000	USD-LIBOR 3M + 0.20	Quarterly	-	701,052
24/07/2013	29/07/2018	17	USD	1,000,000	17,000,000	USD-LIBOR 6M + 0.01	Semi-annual	556,954	595,894
29/11/2013	29/11/2018	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.05	Semi-annual	982,860	1,051,578
28/03/2014	28/03/2019	30	USD	1,000,000	30,000,000	USD-LIBOR 6M	Semi-annual	982,860	1,051,578
10/07/2014	10/07/2017	1,200,000	THB	1,000	1,200,000,000	4.43	Quarterly	-	1,200,000
26/09/2014	26/09/2017	15	USD	1,000,000	15,000,000	USD-LIBOR 6M	Semi-annual	-	525,789
27/03/2015	27/03/2019	22	JPY	100,000,000	2,200,000,000	JPY-TIBOR 6M + 0.36	Semi-annual	648,487	689,663
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	2,293,340	2,453,682
28/03/2016	27/03/2020	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.50	Semi-annual	491,430	525,789
22/08/2016	20/08/2021	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.85	Semi-annual	491,430	525,789
24/08/2016	30/07/2019	400,000	THB	1,000	400,000,000	2.50	Quarterly	400,000	400,000
21/12/2016	21/12/2019	1,000,000	THB	1,000	1,000,000,000	2.73	Quarterly	1,000,000	1,000,000
21/12/2016	21/12/2021	1,000,000	THB	1,000	1,000,000,000	3.48	Quarterly	1,000,000	1,000,000
30/12/2016	30/12/2021	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.65	Semi-annual	982,860	1,051,578
18/08/2017	18/08/2020	200,000	THB	1,000	200,000,000	2.50	Quarterly	200,000	-
14/09/2017	14/09/2020	300,000	THB	1,000	300,000,000	2.50	Semi-annual	300,000	-
21/09/2017	21/09/2020	100,000	THB	1,000	100,000,000	2.50	Semi-annual	100,000	-
								10,630,221	14,023,970
<u>Less</u> Debentures issuance cost								(52,298)	(76,373)
								10,577,923	13,947,597
<u>Less</u> Current portion of long-term debentures								(1,537,324)	(3,472,286)
Total long-term debentures in separate financial statements								9,040,599	10,475,311
ATS Rabbit Special Purpose Vehicle Company Limited									
30/01/2017	28/10/2025	774,473	Baht	1,000	774,473,000	4.00	Monthly	-	774,473
28/11/2017	28/10/2025	1,171,552	Baht	1,000	1,171,552,000	4.00	Monthly	1,171,552	-
Total long-term debentures in consolidated financial statements								10,212,151	11,249,784

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
“Unaudited”

	As at November 30, 2017			Total Baht '000
	Notional Amount Baht '000	Carrying amount		
		Less than 1 year Baht '000	1 - 5 years Baht '000	
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	596,860	-	51,627	51,627
USD currency	2,462,850	51,964	7,860	59,824
	<u>3,059,710</u>	<u>51,964</u>	<u>59,487</u>	<u>111,451</u>
Payables per currency swap contracts				
Cross Currency Swap Contracts				
USD currency	4,630,900	-	(371,840)	(371,840)
	<u>4,630,900</u>	<u>-</u>	<u>(371,840)</u>	<u>(371,840)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
As at February 28, 2017

	As at February 28, 2017			Total Baht '000
	Notional Amount Baht '000	Carrying amount		
		Less than 1 year Baht '000	1 - 5 years Baht '000	
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	596,860	-	92,803	92,803
USD currency	5,027,450	236,419	239,389	475,808
	<u>5,624,310</u>	<u>236,419</u>	<u>332,192</u>	<u>568,611</u>
Payables per currency swap contracts				
Cross Currency Swap Contracts				
USD currency	4,108,300	-	(77,251)	(77,251)
	<u>4,108,300</u>	<u>-</u>	<u>(77,251)</u>	<u>(77,251)</u>

15. EMPLOYEE BENEFIT OBLIGATIONS

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

For the three-month and nine-month periods ended November 30, 2017 and 2016, 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 nine-month periods ended	
	November 30, 2017	November 30, 2016	November 30, 2017	November 30, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
Current service cost	7,492	5,699	22,473	16,939
Interest cost	1,072	680	3,215	2,035
Total	<u>8,564</u>	<u>6,379</u>	<u>25,688</u>	<u>18,974</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month periods ended		For the nine-month periods ended	
	November 30, 2017	November 30, 2016	November 30, 2017	November 30, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
Current service cost	5,389	3,833	16,166	11,519
Interest cost	784	442	2,352	1,324
Total	<u>6,173</u>	<u>4,275</u>	<u>18,518</u>	<u>12,843</u>

For the three-month and nine-month periods ended November 30, 2017 and 2016, amounts recognized in the statements of profit or loss and other comprehensive income in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	For the three-month periods ended		For the nine-month periods ended	
	November 30, 2017	November 30, 2016	November 30, 2017	November 30, 2016
	Baht '000	Baht '000	Baht '000	Baht '000
Actuarial (gain) loss				
- From financial assumptions changes	-	-	-	2,750
- From demographic assumptions changes	-	-	-	(306)
- From experience adjustments	-	-	-	1,824
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,268</u>

Movements in the present value of the post-employment benefit obligations for the nine-month periods ended November 30, 2017 and 2016, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	132,950	88,990	98,291	59,672
Current service cost	22,473	16,939	16,166	11,519
Interest cost	3,215	2,035	2,352	1,324
Actuarial loss	-	4,268	-	4,268
Benefits paid	(1,149)	-	-	-
Ending balance	<u>157,489</u>	<u>112,232</u>	<u>116,809</u>	<u>76,783</u>

The significant actuarial assumptions used to calculate the obligations under the defined benefit plans as at November 30, 2017 and February 28, 2017, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	"Unaudited"	
	As at November 30, 2017	As at February 28, 2017
	% per annum	% per annum
Financial assumptions		
Discount rate	2.87 - 3.38	2.87 - 3.38
Expected rate of salary increase	5.0 - 7.0	5.0 - 7.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 33.0	0.0 - 33.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 54.0	0.0 - 54.0
	Subject to range of age of employees	Subject to range of age of employees
Temporary staff	0.0 - 63.0	0.0 - 63.0
	Subject to range of age of employees	Subject to range of age of employees
SEPARATE FINANCIAL STATEMENTS		
"Unaudited"		
	As at November 30, 2017	As at February 28, 2017
	% per annum	% per annum
Financial assumptions		
Discount rate	3.19	3.19
Expected rate of salary increase	6.0	6.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 20.0	0.0 - 20.0
	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 - 63.0	0.0 - 63.0
	Subject to range of age of employees	Subject to range of age of employees

16. SHAREHOLDERS' EQUITY

- 16.1 On June 17, 2016, the Annual General Meeting of shareholders had the resolutions to approve the declaration of final dividends for the 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 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 21, 2015.
- 16.2 On October 7, 2016, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the fiscal year 2016 at the rate of Baht 1.60 per share to shareholders, totaling Baht 400 million. The aforementioned shareholders included 43,521 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 399.93 million on November 7, 2016.
- 16.3 On June 28, 2017, the Annual General Meeting of shareholders had the resolutions to approve the declaration of final dividends for the year ended February 28, 2017 at the rate of Baht 1.85 per share, totaling Baht 462.50 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 462.50 million on July 20, 2017 in addition to the interim dividends which had been paid to all shareholders at Baht 1.60 per share, totaling Baht 399.93 million on November 7, 2016.
- 16.4 On October 6, 2017, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the fiscal year 2017 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 November 6, 2017.

16.5 Under the Securitization project, the subsidiaries have to pay dividend to their shareholders from all remaining amounts after deducting the required accumulated reserves and payment of all fees and expenses. The subsidiaries appropriate interim dividends 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.

16.5.1 Eternal 6 Special Purpose Vehicle Company Limited's the registered share capital comprises ordinary shares and preferred shares which were 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 remaining dividends shall be distributed to the holders of ordinary shares.

16.5.2 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 remaining dividends shall be distributed to the holders of ordinary shares and another group of preferred shares.

17. REVENUE RELATING TO SECURITIZATION TRANSACTION

For the three-month and nine-month periods ended November 30, 2017 and 2016, the details of revenues from securitization transaction consist of the following:

17.1 Revenue relating to securitization transaction incurred from sale of credit card receivables to Eternal 6 Special Purpose Vehicle Company Limited is included in Credit card income for presentation as follows:

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month periods ended November 30, 2017		For the nine-month periods ended November 30, 2016	
	Baht '000	Baht '000	Baht '000	Baht '000
Credit card income (see Note 20.2.2)				
Interest income from subordinated lendings	-	-	-	46,006
Revenue from seller loan in Special Purpose Vehicle	-	-	-	10,792
Dividend from investment in Special Purpose Vehicle (reversal)	-	(5,793)	-	118,112
Servicing income	-	6,749	-	62,520
Total	-	956	-	237,430

17.2 Revenue relating to securitization transaction incurred from sale of loans receivable to ATS Rabbit Special Purpose Vehicle Company Limited is included in Loan income for presentation as follows:

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month		For the nine-month	
	periods ended November 30,		periods ended November 30,	
	2017	2016	2017	2016
	Baht '000	Baht '000	Baht '000	Baht '000
Loan income (see Note 20.2.2)				
Interest income from subordinated lendings	1,679	1,187	4,514	3,248
Revenue from seller loan in Special Purpose Vehicle	5,052	1,825	8,222	5,043
Dividend from investment in Special Purpose Vehicle	9,181	2,293	15,627	18,603
Servicing income	16,140	10,245	38,531	28,281
Total	<u>32,052</u>	<u>15,550</u>	<u>66,894</u>	<u>55,175</u>

18. DIRECTORS AND MANAGERMENTS' REMUNERATION

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

For the three-month and nine-month periods ended November 30, 2017 and 2016, directors and managements' remuneration are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month		For the nine-month	
	periods ended November 30,		periods ended November 30,	
	2017	2016	2017	2016
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Directors' remuneration	8,688	8,929	20,777	13,253
Managements' remuneration	34,450	32,491	102,805	92,137
Post-employment benefits	945	750	2,835	2,237
	<u>44,083</u>	<u>42,170</u>	<u>126,417</u>	<u>107,627</u>

	SEPARATE FINANCIAL STATEMENTS			
	For the three-month		For the nine-month	
	periods ended November 30,		periods ended November 30,	
	2017	2016	2017	2016
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Directors' remuneration	4,800	5,536	14,400	5,478
Managements' remuneration	20,154	16,872	58,420	49,738
Post-employment benefits	761	588	2,283	1,753
	<u>25,715</u>	<u>22,996</u>	<u>75,103</u>	<u>56,969</u>

For the three-month and nine-month periods ended November 30, 2017 and 2016, directors' remunerations which were included in short-term employee benefits were approved by the Annual General Meeting of shareholders of the Company held on June 28, 2017 and June 17, 2016, respectively.

19. CORPORATE INCOME TAX

The Company and its local subsidiaries used tax rate of 20% for corporate income tax calculation for the three-month and nine-month periods ended November 30, 2017 and 2016. The foreign subsidiaries used 20% - 25% for corporate income tax calculation for the three-month and nine-month periods ended November 30, 2017 and 2016.

The Company and its subsidiaries used tax rate of 20% for calculation of deferred tax for the three-month and nine-month periods ended November 30, 2017 and 2016. The foreign subsidiaries used 20% - 25% for calculation of deferred tax for the three-month and nine-month periods ended November 30, 2017 and 2016.

Income tax expense of the Company and its subsidiaries is 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 nine-month periods ended November 30, 2017 and 2016, income tax expense consists of:

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month		For the nine-month	
	periods ended November 30,		periods ended November 30,	
	2017	2016	2017	2016
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the periods	210,026	139,393	533,426	375,797
Deferred income tax expense (revenue)	(20,972)	(18,815)	(40,079)	23,905
Income tax expense per statements of profit or loss	<u>189,054</u>	<u>120,578</u>	<u>493,347</u>	<u>399,702</u>

SEPARATE FINANCIAL STATEMENTS
For the three-month periods ended November 30, **For the nine-month periods ended November 30,**
2017 **2016** **2017** **2016**
Baht '000 **Baht '000** **Baht '000** **Baht '000**

Current tax expense for the periods	184,916	124,670	464,808	321,270
Deferred income tax expense (revenue)	<u>(20,526)</u>	<u>(18,223)</u>	<u>(38,596)</u>	<u>430</u>
Income tax expense per statements of profit or loss	<u>164,390</u>	<u>106,447</u>	<u>426,212</u>	<u>321,700</u>

Reconciliations of effective tax rates for the three-month and nine-month periods ended November 30, 2017 and 2016 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS

	For the three-month periods ended November 30,				For the nine-month periods ended November 30,			
	2017		2016		2017		2016	
	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate
	Baht '000	%	Baht '000	%	Baht '000	%	Baht '000	%
Profit before income tax expense	<u>947,901</u>		<u>602,562</u>		<u>2,547,198</u>		<u>1,978,952</u>	
Income tax at the domestic tax rate	193,450	20.00 - 25.00	121,335	20.00 - 25.00	524,537	20.00 - 25.00	433,265	20.00 - 25.00
<u>Add</u> Tax effect of income and expense								
that are not exempt for tax purposes	1,895	0.20	3,500	0.58	4,535	0.18	8,808	0.45
<u>Less</u> Tax effect of income and expense								
that are exempt for tax purposes	<u>(6,291)</u>	<u>(0.66)</u>	<u>(4,257)</u>	<u>(0.71)</u>	<u>(35,725)</u>	<u>(1.40)</u>	<u>(42,371)</u>	<u>(2.14)</u>
Income tax expense per statements of profit or loss	<u>189,054</u>	<u>19.94</u>	<u>120,578</u>	<u>20.01</u>	<u>493,347</u>	<u>19.37</u>	<u>399,702</u>	<u>20.20</u>

SEPARATE FINANCIAL STATEMENTS

	For the three-month periods ended November 30,				For the nine-month periods ended November 30,			
	2017		2016		2017		2016	
	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate
	Baht '000	%	Baht '000	%	Baht '000	%	Baht '000	%
Profit before income tax expense	<u>849,017</u>		<u>553,490</u>		<u>2,299,882</u>		<u>1,833,957</u>	
Income tax at the domestic tax rate	169,803	20.00	110,698	20.00	459,976	20.00	366,791	20.00
<u>Add</u> Tax effect of income and expense								
that are not exempt for tax purposes	188	0.02	285	0.05	559	0.02	1,076	0.06
<u>Less</u> Tax effect of income and expense								
that are exempt for tax purposes	<u>(5,601)</u>	<u>(0.66)</u>	<u>(4,536)</u>	<u>(0.82)</u>	<u>(34,323)</u>	<u>(1.49)</u>	<u>(46,167)</u>	<u>(2.52)</u>
Income tax expense per statements of profit or loss	<u>164,390</u>	<u>19.36</u>	<u>106,447</u>	<u>19.23</u>	<u>426,212</u>	<u>18.53</u>	<u>321,700</u>	<u>17.54</u>

20. 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:

20.1 Investments in an associate and subsidiaries (see Note 7.2) as at November 30, 2017 and February 28, 2017, are as follows:

SEPARATE FINANCIAL STATEMENTS							
"Unaudited"							
Related parties	Relationship	As at November 30, 2017			As at February 28, 2017		
		Ownership %	Paid-up capital Baht' 000	Cost Baht '000	Ownership %	Paid-up capital Baht' 000	Cost Baht '000
Investments in an associate and subsidiaries							
Investment in an associate							
ACS Trading Vietnam Company Limited	Associate	20.00	84,096.3	16,819.3	20.00	84,096.3	16,819.3
Total investment in an associate				<u>16,819.3</u>			<u>16,819.3</u>
Investments in subsidiaries							
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	26.00	40.0	10.4
ACS Servicing (Thailand) Company Limited	Subsidiary	100.00	175,349.1	175,349.1	100.00	175,349.1	175,349.1
AEON Insurance Service (Thailand) Company Limited	Subsidiary	100.00	149,224.3	149,224.3	100.00	149,224.3	149,224.3
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	80.00	408,619.4	323,580.0	80.00	320,344.4	252,960.0
AEON Microfinance (Myanmar) Company Limited	Subsidiary	100.00	276,769.1	276,769.1	100.00	276,769.1	276,769.1
AEON Leasing Service (Lao) Company Limited	Subsidiary	92.58	111,402.9	103,069.1	92.58	111,402.9	103,069.1
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	48.75	40.0	19.5	48.75	40.0	19.5
Total investments in subsidiaries				<u>1,028,011.1</u>			<u>957,401.5</u>
Total investments in an associate and subsidiaries				<u>1,044,830.4</u>			<u>974,220.8</u>

20.2 Business transactions with related parties

20.2.1 Balances with related parties as at November 30, 2017 and February 28, 2017, are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		“Unaudited” As at November 30, 2017 Baht '000	As at February 28, 2017 Baht '000	“Unaudited” As at November 30, 2017 Baht '000	As at February 28, 2017 Baht '000
Accounts receivable under securitization project (see Note 5.1)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,317,770	789,300
Other receivables					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	6,709	3,534
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	2,224	4,716
AEON Financial Service Co., Ltd.	Major shareholder	616	107	361	107
ACS Capital Corporation Limited	Shareholder and one common director	75	3,956	75	210
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	962	1,705
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	33,447	19,266
AEON Microfinance (Myanmar) Company Limited	Subsidiary	-	-	2,082	1,886
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	7	70,620
ACS Trading Vietnam Company Limited	Associate	6	-	6	-
AEON Bank Ltd.	Common ultimate holding company	52	-	-	-
AEON Credit Service Company Limited	Common ultimate holding company	33	-	33	-
		<u>782</u>	<u>4,063</u>	<u>45,906</u>	<u>102,044</u>
Short-term loan (see Note 6)					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	-	100,000
Seller loan in Special Purpose Vehicle for securitization (see Note 8)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	46,676	11,643
Subordinated lendings (see Note 9.1)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	67,323	45,263
Long-term borrowings (see Note 12)					
AEON Bank Ltd.	Common ultimate holding company	1,470,284	1,562,793	1,470,284	1,562,793
Accounts payable					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	136,561	130,012
Other payables					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	3,609	2,308
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	111,337	148,988
AEON (Thailand) Company Limited	Shareholder and two common directors	351	48	351	48
AEON Financial Service Co., Ltd.	Major shareholder	17,514	42,556	16,011	42,556
AEON Credit Service Company Limited	Common ultimate holding company	13,005	14,774	2,588	4,847
ACS Capital Corporation Limited	Shareholder and one common director	-	1,218	-	1,218
AEON Credit Service Systems (Philippines) Inc.	Holding shares	2,061	3,260	610	687
AEON Bank Ltd.	Common ultimate holding company	4,880	1,064	4,168	902
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	201	889	-	-
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	45,589	38,228
		<u>38,012</u>	<u>63,809</u>	<u>184,263</u>	<u>239,782</u>

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		“Unaudited” As at November 30, 2017 Baht '000	As at February 28, 2017 Baht '000	“Unaudited” As at November 30, 2017 Baht '000	As at February 28, 2017 Baht '000
Long-term borrowing under securitization project (see Note 13)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,317,770	789,300
Deposit received					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	12,700	12,799
Deferred revenue					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	1,582	3,543
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	161	342
		<u>-</u>	<u>-</u>	<u>1,743</u>	<u>3,885</u>

20.2.2 Transactions with related parties for the three-month and nine-month periods ended November 30, 2017 and 2016, are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS			
		For the three-month periods ended November 30,		For the nine-month periods ended November 30,	
		2017 Baht '000	2016 Baht '000	2017 Baht '000	2016 Baht '000
Other income					
ACS Capital Corporation Limited	Shareholder and one common director	3,000	3,005	9,000	9,005
AEON (Thailand) Company Limited	Holding shares and two common directors	-	1	-	42
AEON Bank Ltd.	Common ultimate holding company	293	-	430	24
AEON Credit Service Company Limited	Common ultimate holding company	-	-	-	28
AEON Financial Service Co., Ltd.	Major shareholder	-	-	3	-
		<u>3,293</u>	<u>3,006</u>	<u>9,433</u>	<u>9,099</u>
Operating and administrative expenses					
Others					
AEON Financial Service Company Limited	Major shareholder	13,397	33,856	67,378	74,048
AEON Credit Service Company Limited	Common ultimate holding company	17,604	15,212	41,398	38,853
AEON (Thailand) Company Limited	Holding shares and two common directors	3,681	5,608	12,098	13,669
ACS Capital Corporation Limited	Shareholder and one common director	2	13,626	6,519	40,119
AEON Credit Service Systems (Philippines) Inc.	Holding shares	3,139	2,947	10,177	12,842
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	24	578	1,301	1,887
AEON Bank Ltd.	Common ultimate holding company	354	-	1,661	-
		<u>38,201</u>	<u>71,827</u>	<u>140,532</u>	<u>181,418</u>
Dividend paid					
ACS Capital Corporation Limited	Shareholder and one common director	76,800	76,800	165,600	165,600
AEON Financial Service Company Limited	Major shareholder	140,480	140,480	302,910	302,910
		<u>217,280</u>	<u>217,280</u>	<u>468,510</u>	<u>468,510</u>

Related parties	Relationship	SEPARATE FINANCIAL STATEMENTS			
		For the three-month		For the nine-month	
		periods ended November 30,		periods ended November 30,	
		2017	2016	2017	2016
		Baht '000	Baht '000	Baht '000	Baht '000
Sale promotion income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	2,053	2,594	7,157	7,975
Credit card income					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	92,150	89,065	272,840	261,728
Revenue relating to securitization transaction (including in credit card income and loan income) (See note 17)					
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	956	-	237,430
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	32,052	15,550	66,894	55,175
		<u>32,052</u>	<u>16,506</u>	<u>66,984</u>	<u>292,605</u>
Other income					
ACS Capital Corporation Limited	Shareholder and one common director	3,000	3,000	9,000	9,000
AEON Insurance Service (Thailand) Company Limited	Subsidiary	15,512	12,317	42,129	38,464
ACS Servicing (Thailand) Company Limited	Subsidiary	743	2,452	2,951	11,713
AEON (Thailand) Company Limited	Holding shares and two common directors	-	1	-	42
AEON Leasing Service (Lao) Company Limited	Subsidiary	319	194	1,438	793
AEON Microfinance (Myanmar) Company Limited	Subsidiary	2,343	-	4,333	-
		<u>21,917</u>	<u>17,964</u>	<u>59,851</u>	<u>60,012</u>
Operating and administrative expenses					
Collection service fee					
ACS Servicing (Thailand) Company Limited	Subsidiary	328,175	282,530	1,025,026	881,754
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	2,294	2,236	7,251	5,972
		<u>330,469</u>	<u>284,766</u>	<u>1,032,277</u>	<u>887,726</u>
Others					
AEON Financial Service Company Limited	Major shareholder	13,785	33,856	60,329	74,048
AEON Credit Service Company Limited	Common ultimate holding company	3,885	6,763	14,669	13,521
AEON (Thailand) Company Limited	Holding shares and two common directors	3,681	5,608	12,098	13,669
AEON Insurance Service (Thailand) Company Limited	Subsidiary	7,762	1,701	14,047	5,756
ACS Capital Corporation Limited	Shareholder and one common director	-	12,996	5,894	38,077
AEON Credit Service Systems (Philippines) Inc.	Holding shares	1,998	2,419	6,934	10,657
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	1,285	759	3,282	1,865
AEON Bank Ltd.	Common ultimate holding company	667	-	1,185	-
		<u>33,063</u>	<u>64,102</u>	<u>118,438</u>	<u>157,593</u>

Related parties	Relationship	SEPARATE FINANCIAL STATEMENTS			
		For the three-month		For the nine-month	
		periods ended November 30,		periods ended November 30,	
		2017	2016	2017	2016
		Baht '000	Baht '000	Baht '000	Baht '000
Dividend received					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	10,000	9,000	58,000	54,000
Dividend paid					
ACS Capital Corporation Limited	Shareholder and one common director	76,800	76,800	165,600	165,600
AEON Financial Service Company Limited	Major shareholder	140,480	140,480	302,910	302,910
		<u>217,280</u>	<u>217,280</u>	<u>468,510</u>	<u>468,510</u>

- Other income for the three-month and nine-months periods ended November 30, 2017 and 2016 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.
- Revenues relating to securitization transactions are determined by the Company and subsidiaries in accordance with securitization projects (see Note 5.5).
- 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 are 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. as specified in the agreement.

21. SEGMENT INFORMATION

The Group presents segment information in respect of the business segments based on the management and internal reporting structure. The business segments of the Group 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 Group does 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 Group was classified by business segment as follows:

21.1 Operating results classified by business are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
For the three-month period ended November 30, 2017					
	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	4,283,117	147,917	245,970	-	4,677,004
Inter - segment revenues	123,139	-	351,606	(474,745)	-
Total revenues	4,406,256	147,917	597,576	(474,745)	4,677,004
Expenses					
Operating and administrative expenses	1,844,232	99,201	494,062	(464,586)	1,972,909
Directors and managements' remuneration	25,715	9,786	8,582	-	44,083
Bad debts and doubtful accounts	1,169,499	14,492	576	-	1,184,567
Loss on sale and write off of leasehold improvement and equipment and intangible assets	300	8	579	(17)	870
Finance cost	503,720	22,782	602	(159)	526,945
Total expenses	3,543,466	146,269	504,401	(464,762)	3,729,374
Share of profit from investment in an associate	-	-	-	271	271
Profit before income tax expense	862,790	1,648	93,175	(9,712)	947,901
Income tax expense	168,981	1,403	18,670	-	189,054
Net profit for the period	693,809	245	74,505	(9,712)	758,847

CONSOLIDATED FINANCIAL STATEMENTS					
For the three-month period ended November 30, 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	3,982,309	118,794	258,643	-	4,359,746
Inter - segment revenues	131,436	-	262,073	(393,509)	-
Total revenues	4,113,745	118,794	520,716	(393,509)	4,359,746
Expenses					
Operating and administrative expenses	1,675,119	86,573	453,706	(384,005)	1,831,393
Directors and managements' remuneration	22,996	12,616	6,558	-	42,170
Bad debts and doubtful accounts	1,354,291	12,804	-	-	1,367,095
Loss on sale and write off of leasehold improvement and equipment and intangible assets	1,448	23	-	-	1,471
Finance cost	504,410	11,172	521	(505)	515,598
Total expenses	3,558,264	123,188	460,785	(384,510)	3,757,727
Share of profit from investment in an associate	-	-	-	543	543
Profit (loss) before income tax expense	555,481	(4,394)	59,931	(8,456)	602,562
Income tax expense	106,145	1,340	13,093	-	120,578
Net profit (loss) for the period	449,336	(5,734)	46,838	(8,456)	481,984

CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended November 30, 2017

	Retail finance services		Other domestic	Elimination	Total
	Domestic Baht '000	Foreign Baht '000	Business Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	12,432,877	430,349	743,420	-	13,606,646
Inter - segment revenues	388,849	-	1,020,165	(1,409,014)	-
Total revenues	12,821,726	430,349	1,763,585	(1,409,014)	13,606,646
Expenses					
Operating and administrative expenses	5,477,489	286,905	1,466,222	(1,349,863)	5,880,753
Directors and managements' remuneration	75,103	34,050	17,264	-	126,417
Bad debts and doubtful accounts	3,424,484	45,911	576	-	3,470,971
Loss on impairment of investment	6,368	-	-	-	6,368
Loss on sale and write off of leasehold improvement and equipment and intangible assets	5,218	8	869	(17)	6,078
Finance cost	1,509,753	57,323	1,872	(1,151)	1,567,797
Total expenses	10,498,415	424,197	1,486,803	(1,351,031)	11,058,384
Share of loss from investment in an associate	-	-	-	(1,064)	(1,064)
Profit before income tax expense	2,323,311	6,152	276,782	(59,047)	2,547,198
Income tax expense	434,026	3,690	55,631	-	493,347
Net income for the period	1,889,285	2,462	221,151	(59,047)	2,053,851

CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended November 30, 2016

	Retail finance services		Other domestic	Elimination	Total
	Domestic Baht '000	Foreign Baht '000	Business Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	12,077,970	329,785	732,044	-	13,139,799
Inter - segment revenues	375,541	-	881,810	(1,257,351)	-
Total revenues	12,453,511	329,785	1,613,854	(1,257,351)	13,139,799
Expenses					
Operating and administrative expenses	5,059,421	249,573	1,425,486	(1,201,856)	5,532,624
Directors and managements' remuneration	56,969	33,599	17,059	-	107,627
Bad debts and doubtful accounts	3,882,472	34,250	-	-	3,916,722
Loss on sale and write off of leasehold improvement and equipment and intangible assets	5,154	24	12	-	5,190
Finance cost	1,573,855	25,398	1,513	(1,497)	1,599,269
Total expenses	10,577,871	342,844	1,444,070	(1,203,353)	11,161,432
Share of profit from investment in an associate	-	-	-	585	585
Profit (loss) before income tax expense	1,875,640	(13,059)	169,784	(53,413)	1,978,952
Income tax expense	358,802	3,872	37,028	-	399,702
Net income (loss) for the period	1,516,838	(16,931)	132,756	(53,413)	1,579,250

21.2 Financial positions classified by business are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
“Unaudited”					
As at November 30, 2017					
	Retail finance services		Other business	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Accounts receivable and other receivable	71,652,034	2,010,239	466,609	(306,814)	73,822,068
Leasehold improvement and equipment and intangible assets	1,019,031	134,436	236,204	(3,089)	1,386,582
Other assets	5,125,102	166,248	742,149	(1,035,566)	4,997,933
Total assets	<u>77,796,167</u>	<u>2,310,923</u>	<u>1,444,962</u>	<u>(1,345,469)</u>	<u>80,206,583</u>
Total liabilities	<u>63,492,982</u>	<u>1,660,215</u>	<u>474,062</u>	<u>(319,515)</u>	<u>65,307,744</u>

CONSOLIDATED FINANCIAL STATEMENTS					
As at February 28, 2017					
	Retail finance services		Other business	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Accounts receivable and other receivable	62,827,237	1,807,819	519,952	(409,098)	64,745,910
Leasehold improvement and equipment and intangible assets	1,207,063	152,860	279,564	(3,090)	1,636,397
Other assets	6,549,401	208,846	561,748	(1,063,979)	6,256,016
Total assets	<u>70,583,701</u>	<u>2,169,525</u>	<u>1,361,264</u>	<u>(1,476,167)</u>	<u>72,638,323</u>
Total liabilities	<u>57,291,650</u>	<u>1,471,558</u>	<u>553,515</u>	<u>(451,278)</u>	<u>58,865,445</u>

22. CREDIT FACILITIES AND LETTER OF GUARANTEE

- 22.1 As at November 30, 2017 and February 28, 2017, the Company has the unused committed and unsecured revolving credit facility agreements with some financial institutions totaling Baht 2,000 million and Baht 2,300 million, respectively.
- 22.2 As at November 30, 2017 and February 28, 2017, the Company has unused and unsecured overdraft facilities with various banks totaling Baht 2,279 million and Baht 3,060 million, respectively.
- 22.3 As at November 30, 2017 and February 28, 2017, the Company has a letter of guarantee issued by the bank to suppliers for guarantee payment of Baht 0.50 million. Such letter of guarantee is unsecured.
- 22.4 As at November 30, 2017 and February 28, 2017, two subsidiaries have letters of guarantee issued by banks in the amounts of Baht 7.78 million and Baht 7.80 million, respectively.
- 22.5 As at November 30, 2017 and February 28, 2017, the Company has outstanding standby letters of credit issued by two banks not exceeding USD 3.27 million and USD 2.30 million, respectively. In addition, the Company has letters of guarantee issued by the Company for guarantee repayment of two subsidiaries' loans of not exceeding USD 21.61 million as at November 30, 2017 and not exceeding USD 13.64 million as at February 28, 2017.

23. SALE OF WRITTEN-OFF ACCOUNTS RECEIVABLE

On December 20, 2016, the Company sold written-off accounts receivable under loan agreements, hire-purchase agreements and credit card agreements to a local company (the “buyer”) with the purchase price of Baht 346.35 million and the value-added tax of hire-purchase receivables of Baht 0.62 million, totaling Baht 346.97 million. At the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement sets out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off accounts receivable under loan agreements, hire-purchase receivables and credit card agreements. As at December 20, 2016, the closing date as specified in the agreement, the Company received the initial payment of Baht 57.83 million from the purchaser. The purchaser agrees to pay the remaining amount of purchase price amounting to Baht 289.14 million in five installments of Baht 57.83 million per each, on January 20, 2017, February 20, 2017, March 20, 2017, April 20, 2017 and the delivery date, respectively. The Company recognized income from sale of written-off accounts receivable after claim for damages from sales of loans receivable totaling Baht 346.35 million in the consolidated and separate statements of profit or loss for the year ended February 28, 2017.

Subsequently, on January 20, 2017 and February 20, 2017, the Company has already received cash proceeds of Baht 115.66 million as specified in the agreement, and recorded outstanding receivables of Baht 173.48 million as other receivables in the consolidated and separate statements of financial position as at February 28, 2017.

During the nine-month period ended November 30, 2017, the Company has already received cash proceeds of the remaining balance as specified in the agreement.

24. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuing by the Company’s authorized director and the Audit Committee on January 8, 2018.

(Translation)

No. 01/2018

January 12, 2018

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 1/2018

We, AEON Thana Sinsap (Thailand) Public Company Limited (“Company”), hereby reported the resolutions passed at the meeting of the Board of Directors No. 1/2018 held on January 12, 2018, from 10:00 a.m. as follows:

1. Acknowledge the Company's performance for the third quarter ended November 30, 2017;
2. Unanimously approved the reviewed financial statements of the Company for the third quarter and nine-month period ended November 30, 2017;
3. Unanimously approved the related transactions with the related companies (Details as attachment)

Please be informed accordingly

Yours sincerely,

Kiyoyasu Asanuma

Managing Director

Connected transactions

The Board of Director's meeting of AEON Thana Sinsap (Thailand) Plc. No. 1/2018 held on January 12, 2018 had a resolution of the connected transaction as follows:

Date of agreement:

Company	Date of agreement
AEON Financial Service Co.,Ltd. ("AFS")	Agreement period is five years from February 2018 to January 2023.
AEON Credit Service Systems (Philippines) Inc ("AEON Systems")	Agreement period is one year from March 2018 to February 2019.
AEON Credit Service (M) Berhad ("ACSM")	Agreement period is one year from February 2018 to January 2019.

Contractual parties with AEONTS and its subsidiaries companies:

Company	Business	Relationship with AEONTS
AFS	Finance	- Major shareholders of AEONTS, holding 35.12% of AEONTS's shares - Major shareholders of AEON Systems
AEON Systems	System Development	- AEON System is 90% owned by AFS - AEON System is 3.3% owned by AEONTS
ACSM	Finance	- ACSM is 63.35% owned by AFS

AEONTS' s subsidiaries:

Company	Business	% of shares held by AEONTS
1). AEON Specialized bank (Cambodia) Private Company Limited ("ASB Cambodia")	Retail Finance	80%
2). AEON Leasing Service (Lao) Company Limited ("ALS Lao")	Retail Finance	92.58%
3). AEON Microfinance (Myanmar)Company Limited ("AMF Myanmar")	Retail Finance	100%

General characteristics of transactions:

1. AEONTS and its subsidiaries (ASB Cambodia, ALS Lao, AMF Myanmar) engage outsourcing service agreement in the system development and maintenance of the systems which need for each company's operation from AEON Systems with cost of totally not more than 37,803,600 baht details as follows:

Unit: Baht

Company	Yearly Manpower Cost
AEONTS	8,037,600
ASB Cambodia	17,602,800
ALS Lao	4,452,000
AMF Myanmar	7,711,200
Total	37,803,600

2. ASB Cambodia enters into "Contracted System Development Agreement" and pays fee to AFS for the amount of not more than JPY 61,201,000 or 17,901,415 baht. Development fee shall be paid in installments in five-years. ASB Cambodia has a plan to develop "AEON Riel Pay ", which is E-money system on mobile application. The customers will be able to download applications into their phones which will allow top up money and make direct purchase by QR code at our merchant network. Under the plan, consumers will be able to scan QR code to make faster and safer payments for goods and service.

3. ASB Cambodia enters into "Software Licensing Agreement" and pays fee to ACSM for the total amount of not more than MYR 90,000 or 737,226 baht. The purpose of the agreement is AFS and ACSM aim to boost up the business expansion of subsidiary companies such as Indonesia, Cambodia and Myanmar by providing the copy of software to apply the same standard of AEON Group. The aforementioned software is a Credit Card system which is developed by ACSM.

Value of consideration:

Unit: Baht

Related company name	Amount
AEON Systems (Manpower Cost)	37,803,600
AFS (System Development Cost)	17,901,415
ACSM (System Usage Fee)	737,226
Total	56,442,241

*Exchange rate as of January 3, 2018

Name, position and shareholding proportion of the connected persons

Related company name	Paid Up Capital No. of shares	Name of connected persons	Share (s) in related company	% of share in AEONTS
AFS	45,698,196,100 JPY/ 225,510,128 shares	Mr. Hideki Wakabayashi ¹	-	-
AEON Systems	300 Million Peso/ 3,000,000 shares	Mr. Junichi Iwakami ²	1 share	-

Note: ¹Mr. Hideki Wakabayashi is the Chairman of the Board of Directors of AEONTS and the Director of AFS

²Mr. Junichi Iwakami is the Senior Executive Vice President of AEONTS and the Non-Executive Director of AEON Systems

The measurement of total transactions

By measurement in percentage of the Company Net Tangible Assets (NTA), total transaction is 56.44 million baht or 0.39% which more than 0.03% but less than 3% of NTA of the Company. So this transaction is the connected transaction pursuant to the Notifications which shall be approved by Audit Committee and Board of Director as well as disclose to the Stock Exchange of Thailand.

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

- Board of Director's meeting No. 10/2017 held on October 6, 2017, approved Annual System License Fee for ACE Plus System to AEON Systems in amounting to JPY 8,040,000 or 2,406,372 baht (excluded relevant tax), which is 0.02% of the Company NTA.

Therefore, the total connected transaction approved by the Board of Directors' meeting in the last six months period including this time was 58.85 million baht or 0.41% which more than 0.03% of the Company NTA but less than 3% of NTA of the Company.

Opinion of the Audit Committee:

The Audit Committee has considered the purpose of transactions is supporting normal business transaction of the Company with fair and reasonable transactions.

Opinion of the Board of Director:

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

(Translation)

Management Discussion and Analysis for the 3rd Quarter ended November 30, 2017

AEON Thana Sinsap (Thailand) Public Company Limited (“The Company”) has already submitted the reviewed Q3/2017 financial statements as of November 30, 2017 which were reviewed by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The operating performance is summarized as follows;

Overview

The Thai economy in the third quarter of 2017 expanded by 4.3% y-y compared to 3.8% in the previous quarter, according to data from Bank of Thailand and NESDB. The Thai economy continued to recover, driven mainly by exports sector, private consumption, government spending and investment. In the fourth quarter, Thai economic growth is expected to be driven by government initiatives such as Low-income welfare, Tax deduction for domestic tour package and shopping.

As of November 30, 2017, the Company’s total cards reached 8.06 million cards (including 2.48 million credit cards and 5.58 million member cards), net increasing by 250,000 cards from February 28, 2017. Covering networks nationwide, the Company has 106 branches, 473 ATMs, and over 17,600 member dealers to provide quality financial services to AEON cardholders.

Summary of Operation Results

1. Operating Results

Revenues

The Company reported 13,607 million baht of total consolidated revenues for the nine-month period of 2017, showing an increase of 467 million baht or 4% y-y. For the third quarter of 2017, revenues amounted to 4,677 million baht, increasing by 317 million baht or 7% y-y and 3% q-q, due to an increase in credit card and personal loan revenues and higher bad debt recovery. In addition, in September the Company launched “AEON Thai Mobile Application” which is new financial innovation to meet lifestyle in digital era and provide more convenient for AEON credit card and member card holder such as card activation, checking credit amount, receiving updated news and promotions, and real time online payment.

As of November 30, 2017, the Company has total billings of 3.33 million accounts with number of active customers of 2.15 million, mainly from Bangkok 31%, and up-country 69%. Details of each business can be described as follows:

- Credit Card

For nine-month period, credit cards turnover comprised of 57% of total turnovers, with the revenue of 5,017 million baht, increasing by 3% y-y. In the third quarter of 2017, credit card revenue reached 1,692 million baht, increasing by 4% y-y. This is because the Company reviewed customers credit line to inline with their incomes as well as launched new campaigns and benefits to encouraged customer's spending through AEON credit cards. The Company launched a special campaign "AEON 25th Years Anniversary 25 Cars" to celebrate our success and thanks to all customers for their support over 25 years with Toyota Yaris as a highest prize. For AEON Royal Orchid Plus Platinum card holder, campaign is round trip tickets to Japan and Vienna, Austria to celebrate 5th year anniversary partnership with Thai Airways. Focusing on card recruitment activities, the Company has enhanced on AEON card recruitment events through online channel and dealer network nationwide. In addition, AEON Specialized Bank (Cambodia) Plc, a subsidiary company provides credit card, personal loan, and hire purchase services. The total new loan spending is growing 27% y-y. They have a plan to develop "AEON Riel Pay" which is E-money system on mobile application. Thus, the customers will be able to download applications into their phones which will allow them to top up money and make direct purchase by QR code at our dealer network.

- Loans

For nine-month period, loans shared 38% of total turnovers (shared 25% from personal loan and 13% from purposed loan for mobile phone, IT products, electrical appliances and etc. through more than 17,600 dealers nationwide) with the revenue of 7,035 million baht, increasing by 4% y-y. For the third quarter, loans income amounted to 2,474 million baht, increasing by 11% y-y. This was contributed from loan income from AEON Microfinance (Myanmar) Company Limited, which grew by 60% y-y and AEON Specialized Bank (Cambodia) Plc grew by 21% y-y. Moreover, the Company also provides several promotions with dealers for installment loans. The Company also has expanding more online services for customers' convenience and this also saved the Company's operation cost as well. Therefore, AEON members can utilize the revolving loans service through many service channels.

- Hire Purchase

Hire purchase (motorcycle, electrical appliances, mobile phone and etc.) for the nine-month shared 1% of total turnovers, with revenue of 282 million baht, decreasing by 6% y-y. In terms of revenue in the third quarter of 2017, the Company reported 90 million baht of hire purchase, decreasing by 2% y-y. This was mainly contributed from hire purchase income from AEON Specialized Bank (Cambodia) Plc of 161 million baht at the same level as last year and AEON Leasing (Lao) Co., Ltd of 53 million baht grew by 96% y-y. The oversea subsidiaries are continue growing in the future. However, the company has continued launching promotions with motorcycle manufacturers and suppliers, i.e., Honda and Suzuki.

- Others

For the nine-month period, the Company had other income of 1,273 million baht, increasing by 8% from the same period last year which accounted for 9% of total revenues. An increase in other income mainly came from bad debt recovery of 440 million baht or 3% of total revenues and increasing by 19% y-y. In the third quarter of 2017, income from others amounted to 422 million baht, increasing by 3% y-y due to an increase in bad debt recovery since the first quarter as well as commission income and gain on currency exchange.

Moreover, the income for the nine-month period of company's subsidiaries in Thailand, the Company had commission income of 362 million baht, increasing by 3% y-y from AEON Insurance Service (Thailand) Co., Ltd. and collection service income of 172 million baht, decreasing by 5% y-y from ACS Servicing (Thailand) Co., Ltd. accordingly. In the third quarter of 2017, commission income amounted 119 million baht, and collection service income of 58 million baht respectively. The Company has planed to generate more fee base incomes in the future.

Expenses

In the nine-month period, the consolidated expenses that consisted of operating and administrative expense, bad debt and doubtful accounts, and finance cost amounted to 11,058 million baht, decreasing by 103 million baht or 1% y-y. For the third quarter, the consolidated expenses were 3,729 million baht, decreasing by 28 million baht or 1% y-y. This mainly came from declining of bad debt and doubtful accounts. Details of total major expenses can be described as follows:

- Operating and Administrative Expenses

For the nine-month period of 2017, the consolidated operating and administrative expenses were 6,020 million baht, increasing by 7% y-y, and accounted for 44% of total revenue. In the third quarter of 2017, the Company recorded operating and administrative expenses of 2,018 million baht, increasing by 8% y-y. This is a result of promotion campaigns with Big C since the first quarter and increase in personal expense to support sales growth as well as business expansion of oversea subsidiaries. In terms of proportion to total revenues, operating and administrative expenses represented 43% of total revenues, improving from 45% of previous quarter.

- Bad Debts and Doubtful Accounts

The consolidated bad debts and doubtful accounts, in the nine-month period of 2017, amounted to 3,471 million baht, decreasing by 11% y-y. For the third quarter of 2017, the Company recorded bad debts and doubtful accounts of 1,185 million baht, decreasing by 13 % y-y. This is a result of improving asset quality and also collection operation had more improvement and effective.

- Finance Cost

The Company recorded finance cost of 1,568 million baht for nine-month period, decreasing by 2% y-y. For the third quarter, finance cost was 527 million baht, increasing by 2% y-y. However, finance cost in the nine month 2017 accounted for 12% of total revenues, which is at the same level as last year. The average funding cost decreasing from 3.62% in Q3/2016 to 3.30% in Q3/2017.

Net Profit

For nine-month period of 2017, the Company had consolidated operating income of 2,547 million baht, increasing by 29%y-y, and reported net profit attributed to owners of the parent of 2,038 million baht, increasing by 471 million baht or 30% y-y. In the third quarter of 2017, the Company had consolidated operating income of 948 million baht, increasing by 57%y-y, and reported net profit attributed to owners of the parent of 750 million baht, increasing by 270 million baht or 56% y-y and 12% q-q. Earnings per share (EPS) for the nine-month and the third quarter of 2017 were 8.15 baht per share and 3.00 baht per share respectively. An increase in net profit is mainly due to higher revenues from credit card, personal loan and bad debt recovery as well as improving of cost of fund and asset quality respectively.

2. Financial Status

Total Assets

As of November 30, 2017, the Company had 80,207 million baht of consolidated total assets, showing an increase of 7,568 million baht or 10% as of February 28, 2017. Mainly, the assets were attributed to the portfolio of net accounts receivable, which was 91% of total assets.

-Accounts Receivable

As of November 30, 2017, the Company had consolidated accounts receivable of 75,437 million baht, increasing by 14% from that of 66,128 million baht as of February 28, 2017, which driven by credit card and loans receivable. These can be categorized by credit card business of 34,268 million baht, increasing by 19%, loans business of 39,789 million baht increasing by 11%, hire purchase business of 1,256 million baht, decreasing by 13% and others of 124 million baht.

-Allowance for doubtful account

The Company and subsidiary companies have increased allowance for doubtful accounts from 2,259 million baht as at the end of fiscal year 2016 to 2,345 million baht as of November 30, 2017, or 3.11% of total accounts receivable. The percentage account receivable 3 months overdue or non-performing loan (NPLs) ratio was 2.23% of total account receivable, decreased from 2.71% at the end of previous fiscal year. The Company efficiently controls account receivable overdue more than 3 months. The coverage ratio of allowance for doubtful accounts to NPLs was 140% in the third quarter of 2017 increased from 126% at the end of fiscal year 2016, reflecting the adequacy of the Company's provision for doubtful accounts.

Liabilities

As of November 30, 2017, the Company consolidated total liabilities were 65,308 million baht, showing an increase of 6,442 million baht or 11% from the end of fiscal year 2016 due to an increase in borrowing from 55,648 million baht at the end of fiscal year 2016 to 60,661 million baht, increasing by 9%. The portion of long-term borrowing was 38,212 million baht or 63% of total borrowings decreased from 71% at the end of previous fiscal year due to the current portion of long-term liabilities increased by 2,094 million baht.

On December, 15, 2017, the Company has issued two tranches of debentures for Private Placement to institutional investors and high net-worth investors at the amount of 3,000 million baht comprise; (1) Tranche 1: Debenture term is 3 years and fixed interest rate at 2.37% per annum (2) Tranche 2: Debenture term is 5 years and fixed interest rate at 2.93 % per annum.

To manage risks 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 all borrowings.

Shareholder Equity

As of November 30, 2017, the Company's shareholder equity reached 14,899 million baht, showing an increase of 1,126 million baht or 8% from the end of fiscal year 2016. Consequently, Book value as of November 30, 2017 was 59.6 baht per share, increasing from that of 55.1 baht per share as of February 28, 2017.

For nine month period of 2017, the Company recorded return on equity (ROE) at 19.0% and return on asset (ROA) at 3.6% and equity ratio of 18.6%. Debt to Equity ratio as of November 30, 2017 was 4.4 times, the same level as previous fiscal year.