

**REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS**

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

**Opinion**

We have audited the consolidated financial statements of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of AEON Thana Sinsap (Thailand) Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at February 28, 2019, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and of AEON Thana Sinsap (Thailand) Public Company Limited as at February 28, 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

**Basis for Opinion**

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p><b>Allowance for doubtful accounts</b></p> <p>The allowance for doubtful accounts represents management’s estimation of loss that would occur from the Company’s loan portfolios as at the end of period.</p> <p>The Company calculated allowance for doubtful accounts on trade receivables based on a collective approach by classifying a group of loans having similar credit risk characteristics and using the historical loss experience including considering macroeconomic factors which might have an effect on the ability to repay the debt of the loan groups, for estimation of allowance for doubtful accounts of each loan group. The Company’s allowance for doubtful accounts shall not be less than allowance for doubtful accounts fully provided for all receivables over 3 installments contractually past due in order to comply with the notification of the Office of the Securities and Exchange Commission.</p> <p>The allowance for doubtful accounts is a key audit matter as there are management’s judgment and assumption applied to the calculation of allowance for doubtful accounts.</p> <p>The allowance for doubtful accounts is presented as deductive amount of trade receivables. Accounting policy and detail of allowance for doubtful accounts were disclosed in Note 3.3 and Note 5 to the financial statements, respectively.</p>	<p>Key audit procedures included</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company’s design of internal controls over credit approval, source data used in calculation of allowance for doubtful accounts and calculation of allowance for doubtful accounts</li> <li>• Evaluated the design and implementation and performed operating effectiveness testing of key internal controls over credit approval, source data used in calculation of allowance for doubtful accounts and calculation of allowance for doubtful accounts</li> <li>• Evaluated the design and implementation and performed operating effectiveness testing of key General Computer Controls over the IT processing environment for retail finance system with the involvement of IT specialists</li> <li>• Tested application controls with the involvement of IT specialists over the completeness and accuracy of the reports generated from retail finance system relevant to source data used in the calculation of allowance for doubtful accounts</li> <li>• Assessed the adequacy of allowance and appropriateness of methodology, significant input and assumption used in calculation of allowance for doubtful accounts to determine if they are in compliance with the accounting standards and regulatory requirements and have been consistently applied</li> <li>• Tested calculation of allowance for doubtful accounts</li> <li>• Performed analysis of the Company’s allowance for doubtful accounts by comparing to historical data and considering related macroeconomic factors.</li> </ul>

## **Other Information**

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**BANGKOK**  
April 23, 2019

Nisakorn Songmanee  
Certified Public Accountant (Thailand)  
Registration No. 5035  
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

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

STATEMENT OF FINANCIAL POSITION

AS AT FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4.1	4,068,052	4,089,802	2,792,584	3,227,739
Trade and other current receivables					
Trade receivables	5	77,800,975	72,466,271	75,412,204	70,883,021
Other receivables	6	637,851	717,372	587,932	659,983
Seller loan in Special Purpose Vehicle					
for securitization	9	-	-	199,920	39,087
Receivables per currency swap contracts	18 and 20	35,908	66,220	35,908	66,220
Current tax assets		67,231	54,133	-	-
Other current assets		146,437	45,725	37,818	40,430
Total Current Assets		<u>82,756,454</u>	<u>77,439,523</u>	<u>79,066,366</u>	<u>74,916,480</u>
<b>NON-CURRENT ASSETS</b>					
Trade receivables	5	1,831,381	941,597	486,446	248,716
Fixed deposits at banks under obligations	7	42,139	29,840	-	-
Investment in an associate	8.1 and 8.2	38,096	32,482	16,819	16,819
Investments in subsidiaries	8.2	-	-	1,028,011	1,028,011
Other long-term investments					
Related companies	8.3	20,072	20,072	20,072	20,072
Subordinated lendings	10.1	-	-	84,074	71,157
Leasehold improvement and equipment	11	956,829	900,495	803,219	639,914
Intangible assets	12	529,593	527,504	413,635	399,170
Receivables per currency swap contracts	18 and 20	118,875	237,437	118,875	237,437
Deferred tax assets	13	621,650	446,590	600,052	428,198
Other non-current assets	14	206,448	195,860	180,220	172,080
Total Non-Current Assets		<u>4,365,083</u>	<u>3,331,877</u>	<u>3,751,423</u>	<u>3,261,574</u>
<b>TOTAL ASSETS</b>		<u><u>87,121,537</u></u>	<u><u>80,771,400</u></u>	<u><u>82,817,789</u></u>	<u><u>78,178,054</u></u>

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

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term borrowings					
from financial institutions	15	7,100,203	3,952,399	4,690,163	2,820,000
Trade and other current payables					
Trade payables		517,370	502,611	183,274	360,430
Other payables	16	1,501,998	1,510,117	1,480,055	1,517,646
Current portion of long-term liabilities					
Liabilities under finance lease agreements	17	911	5,961	-	-
Long-term borrowings	18	6,071,921	12,662,086	5,974,076	12,662,086
Long-term debentures	20	2,980,813	1,685,317	2,980,813	1,685,317
Current income tax payable		467,872	413,593	434,002	397,245
Payables per currency swap contracts	18 and 20	441,278	1,123,923	441,278	1,123,923
Other current liabilities		234,293	172,323	227,072	143,505
Total Current Liabilities		<u>19,316,659</u>	<u>22,028,330</u>	<u>16,410,733</u>	<u>20,710,152</u>
<b>NON-CURRENT LIABILITIES</b>					
Liabilities under finance lease agreements	17	-	4,923	-	-
Long-term borrowings	18	34,546,943	28,126,037	34,025,106	27,501,940
Long-term borrowings under securitization project	19	-	-	1,652,515	1,366,167
Long-term debentures	20	12,957,807	12,907,856	11,484,725	11,667,286
Payables per currency swap contracts	18 and 20	1,543,443	1,648,651	1,543,443	1,648,651
Subordinated borrowings	10.2	84,074	71,157	-	-
Provisions for employee benefits	21	271,321	151,930	242,534	105,193
Other non-current liabilities		12,927	10,715	457	1,029
Total Non-Current Liabilities		<u>49,416,515</u>	<u>42,921,269</u>	<u>48,948,780</u>	<u>42,290,266</u>
<b>TOTAL LIABILITIES</b>		<u>68,733,174</u>	<u>64,949,599</u>	<u>65,359,513</u>	<u>63,000,418</u>

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>					
SHAREHOLDERS' EQUITY	22				
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
SHARE PREMIUM ON ORDINARY SHARES		478,000	478,000	478,000	478,000
RETAINED EARNINGS					
Appropriated					
Legal reserve	23	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		12,574,005	10,223,575	11,855,276	9,574,636
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY	25				
Exchange differences on translating financial statements of foreign operations		(123,078)	(89,941)	-	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		18,053,927	15,736,634	17,458,276	15,177,636
NON-CONTROLLING INTERESTS		334,436	85,167	-	-
TOTAL SHAREHOLDERS' EQUITY		18,388,363	15,821,801	17,458,276	15,177,636
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>87,121,537</b>	<b>80,771,400</b>	<b>82,817,789</b>	<b>78,178,054</b>

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



**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED FEBRUARY 28, 2019**

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>REVENUES</b>					
Credit card income		7,489,675	6,806,582	7,795,067	7,145,943
Loan income	26	10,722,749	9,572,563	10,455,531	9,436,475
Hire-purchase income		431,258	369,714	65,825	83,913
Other income					
Bad debt recovery		763,808	603,163	763,808	603,163
Gain on sale of written-off receivables	37.1	-	179,146	-	179,146
Collection service income		265,920	233,720	3,021	5,962
Commission income		513,372	492,395	-	-
Dividend income		-	-	200,384	58,000
Others		454,919	405,686	145,263	149,533
Total other income		1,998,019	1,914,110	1,112,476	995,804
<b>Total Revenues</b>		<b>20,641,701</b>	<b>18,662,969</b>	<b>19,428,899</b>	<b>17,662,135</b>
<b>EXPENSES</b>					
Operating and administrative expenses		8,520,879	7,980,773	7,603,809	7,392,508
Directors and managements' remuneration	27	182,487	172,294	115,166	100,945
Bad debts and doubtful accounts		5,284,541	4,678,530	5,087,827	4,528,435
Loss on impairment of investment and asset		44,913	6,645	44,913	6,645
Loss on sale and write-off of leasehold improvement and equipment and intangible assets		5,528	6,834	3,946	5,942
Finance costs		2,174,724	2,104,483	2,358,075	2,256,057
<b>Total Expenses</b>	29	<b>16,213,072</b>	<b>14,949,559</b>	<b>15,213,736</b>	<b>14,290,532</b>
Share of profit from investment in an associate	8.1	5,614	944	-	-
<b>PROFIT BEFORE INCOME TAX</b>		<b>4,434,243</b>	<b>3,714,354</b>	<b>4,215,163</b>	<b>3,371,603</b>
<b>INCOME TAX EXPENSE</b>	30	<b>867,619</b>	<b>719,951</b>	<b>777,335</b>	<b>637,687</b>
<b>NET PROFIT FOR THE YEAR</b>		<b>3,566,624</b>	<b>2,994,403</b>	<b>3,437,828</b>	<b>2,733,916</b>
<b>NET PROFIT ATTRIBUTABLE TO :</b>					
Owners of the parent		3,506,487	2,966,331	3,437,828	2,733,916
Non-controlling interests		60,137	28,072	-	-
		<b>3,566,624</b>	<b>2,994,403</b>	<b>3,437,828</b>	<b>2,733,916</b>
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	14.03	11.87	13.75	10.94
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES</b>	<b>SHARES</b>	250,000,000	250,000,000	250,000,000	250,000,000

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Net profit for the year		3,566,624	2,994,403	3,437,828	2,733,916
Other comprehensive income (loss), net of tax					
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Exchange differences on translating financial statements of foreign operations	25				
- Owners of the parent		(33,137)	(57,966)	-	-
- Non-controlling interests		(1,118)	(8,650)	-	-
Components of other comprehensive income that will not be reclassified to profit or loss					
Gain (loss) on remeasurements of defined benefit plans		(6,062)	11,741	(7,193)	14,230
Other comprehensive income (loss) for the year, net of tax		(40,317)	(54,875)	(7,193)	14,230
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>3,526,307</u>	<u>2,939,528</u>	<u>3,430,635</u>	<u>2,748,146</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :</b>					
Owners of the parent		3,467,288	2,920,106	3,430,635	2,748,146
Non-controlling interests		59,019	19,422	-	-
		<u>3,526,307</u>	<u>2,939,528</u>	<u>3,430,635</u>	<u>2,748,146</u>

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

Notes	CONSOLIDATED FINANCIAL STATEMENTS									
	Issued and paid-up share capital	Share premium on ordinary shares	Owners of the parent Retained earnings		Unappropriated	Other components of shareholders' equity Exchange differences on translating financial statements of foreign operations	Total owners of the parent	Share subscription received in advance of a subsidiary	Non-controlling interests	Total shareholders' equity
			Appropriated Legal reserve	Reserve for business expansion						
<b>Beginning balance as at March 1, 2017</b>	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 year										
Share subscription received in advance of a subsidiary	-	-	-	-	-	-	-	(17,655)	-	(17,655)
Increase in share capital from non-controlling interests in a subsidiary	-	-	-	-	-	-	-	-	17,655	17,655
Dividend paid	22.1	-	-	-	(462,498)	-	(462,498)	-	(28,079)	(490,577)
Interim dividend paid	22.2	-	-	-	(399,998)	-	(399,998)	-	-	(399,998)
Capital repayment from dissolution of a subsidiary	-	-	-	-	-	-	-	-	(30)	(30)
Net profit for the year	-	-	-	-	2,966,331	-	2,966,331	-	28,072	2,994,403
Other comprehensive income (loss)	-	-	-	-	11,741	(57,966)	(46,225)	-	(8,650)	(54,875)
<b>Ending balance as at February 28, 2018</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>10,223,575</u>	<u>(89,941)</u>	<u>15,736,634</u>	<u>-</u>	<u>85,167</u>	<u>15,821,801</u>
<b>Beginning balance as at March 1, 2018</b>	250,000	478,000	25,000	4,850,000	10,223,575	(89,941)	15,736,634	-	85,167	15,821,801
Changes during the year										
Increase in share capital from non-controlling interests in a subsidiary	8.2	-	-	-	-	-	-	-	235,547	235,547
Dividend paid	22.3	-	-	-	(562,498)	-	(562,498)	-	(45,297)	(607,795)
Interim dividend paid	22.4	-	-	-	(587,497)	-	(587,497)	-	-	(587,497)
Net profit for the year	-	-	-	-	3,506,487	-	3,506,487	-	60,137	3,566,624
Other comprehensive loss	-	-	-	-	(6,062)	(33,137)	(39,199)	-	(1,118)	(40,317)
<b>Ending balance as at February 28, 2019</b>	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>12,574,005</u>	<u>(123,078)</u>	<u>18,053,927</u>	<u>-</u>	<u>334,436</u>	<u>18,388,363</u>

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

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

	Notes	SEPARATE FINANCIAL STATEMENTS				Total shareholders' equity	
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings Appropriated Legal reserve	Reserve for business expansion		Unappropriated
<b>Beginning balance as at March 1, 2017</b>		250,000	478,000	25,000	4,850,000	7,688,986	13,291,986
Changes during the year							
Dividend paid	22.1	-	-	-	-	(462,498)	(462,498)
Interim dividend paid	22.2	-	-	-	-	(399,998)	(399,998)
Net profit for the year		-	-	-	-	2,733,916	2,733,916
Other comprehensive income		-	-	-	-	14,230	14,230
<b>Ending balance as at February 28, 2018</b>		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>9,574,636</u>	<u>15,177,636</u>
<b>Beginning balance as at March 1, 2018</b>		250,000	478,000	25,000	4,850,000	9,574,636	15,177,636
Changes during the year							
Dividend paid	22.3	-	-	-	-	(562,498)	(562,498)
Interim dividend paid	22.4	-	-	-	-	(587,497)	(587,497)
Net profit for the year		-	-	-	-	3,437,828	3,437,828
Other comprehensive loss		-	-	-	-	(7,193)	(7,193)
<b>Ending balance as at February 28, 2019</b>		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>11,855,276</u>	<u>17,458,276</u>

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

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before income tax		4,434,243	3,714,354	4,215,163	3,371,603
Adjustments for:					
Share of profit from investment in an associate		(5,614)	(944)	-	-
Bad debts and doubtful accounts		5,284,541	4,678,530	5,087,827	4,528,435
Loss on impairment of investment and asset		44,913	6,645	44,913	6,645
Depreciation of leasehold improvement and equipment		391,697	387,419	311,504	281,496
Amortization of intangible assets		161,961	185,909	135,059	139,150
Loss on sale of leasehold improvement and equipment		3,345	5,859	2,223	5,031
Loss on write-off of leasehold improvement and equipment		532	412	72	348
Loss on write-off of intangible assets		1,651	563	1,651	563
Employee benefits expense		113,978	34,804	102,062	24,690
Gain on sale of written-off accounts receivable		-	(179,146)	-	(179,146)
Interest income		(12,108,226)	(10,729,439)	(10,933,376)	(9,924,306)
Dividend income		-	-	(200,384)	(58,000)
Finance costs		2,174,724	2,104,483	2,358,075	2,256,057
		<u>497,745</u>	<u>209,449</u>	<u>1,124,789</u>	<u>452,566</u>
Operating assets (increase) decrease					
Trade and other current receivables		(11,668,530)	(13,869,538)	(10,045,119)	(13,451,648)
Other current assets		(113,816)	(8,706)	2,612	42
Other non-current assets		(10,661)	(2,474)	(8,140)	(7,453)
Operating liabilities increase (decrease)					
Trade and other current payables		106,198	165,526	(131,052)	119,409
Other current liabilities		63,590	8,065	83,567	864
Other non-current liabilities		2,225	2,758	(572)	(2,836)
Cash paid for operations		(11,123,249)	(13,494,920)	(8,973,915)	(12,889,056)
Proceeds from interest income		12,077,077	10,472,907	10,943,403	9,691,266
Dividend received		-	-	196,132	58,000
Finance costs paid		(2,254,072)	(2,035,961)	(2,427,798)	(2,197,565)
Income tax paid		(986,804)	(626,393)	(910,634)	(547,030)
Employee benefits paid		(2,165)	(1,148)	(2,028)	-
Net cash used in operating activities		<u>(2,289,213)</u>	<u>(5,685,515)</u>	<u>(1,174,840)</u>	<u>(5,884,385)</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED FEBRUARY 28, 2019

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from short-term loan to a related party		-	-	-	100,000
Cash paid for fixed deposits at banks under obligations		(12,631)	(1,746)	-	-
Cash paid for capital repayment from dissolution of a subsidiary		-	(30)	-	-
Proceeds from capital refund from a subsidiary		-	-	-	10
Cash paid for purchase of leasehold improvement and equipment	4.2	(455,881)	(238,738)	(445,607)	(141,850)
Proceeds from sale of leasehold improvement and equipment		328	711	260	380
Cash paid for purchase of intangible assets	4.2	(194,713)	(123,461)	(178,215)	(94,829)
Net cash used in investing activities		<u>(662,897)</u>	<u>(363,264)</u>	<u>(623,562)</u>	<u>(136,289)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from bank overdrafts and short-term borrowings from financial institutions	4.4	75,902,324	47,344,612	73,690,121	46,156,690
Cash repayments for bank overdrafts and short-term borrowings from financial institutions	4.4	(72,651,633)	(46,894,034)	(71,819,958)	(45,916,732)
Cash paid for finance lease agreements	4.4	(9,973)	(6,002)	-	-
Proceeds from long-term borrowings	4.4	12,889,520	14,993,398	12,889,520	14,498,000
Cash repayments for long-term borrowings	4.4	(13,727,072)	(9,099,544)	(13,727,072)	(8,760,210)
Proceeds from long-term borrowings under securitization project	4.4	-	-	1,052,373	1,376,466
Cash repayments for long-term borrowings under securitization project	4.4	-	-	(806,947)	(763,078)
Proceeds from long-term debentures issuance	4.4	3,032,512	4,066,097	2,800,000	3,600,000
Cash repayments for long-term debentures	4.4	(1,687,850)	(3,242,000)	(1,687,850)	(3,242,000)
Proceeds from long-term subordinated borrowings	4.4	12,917	25,894	-	-
Proceeds from sale of written-off receivables	37.1	123,055	229,578	123,055	229,578
Proceeds from ordinary shares issued of a subsidiary		235,547	-	-	-
Cash paid for dividend		(607,795)	(477,130)	(562,498)	(462,498)
Cash paid for interim dividend		(587,497)	(399,998)	(587,497)	(399,998)
Net cash provided by financing activities		<u>2,924,055</u>	<u>6,540,871</u>	<u>1,363,247</u>	<u>6,316,218</u>
Net increase (decrease) in cash and cash equivalents		(28,055)	492,092	(435,155)	295,544
Foreign exchange rate differences		6,305	(51,414)	-	-
Cash and cash equivalents at the beginning of the year		<u>4,089,802</u>	<u>3,649,124</u>	<u>3,227,739</u>	<u>2,932,195</u>
<b>Cash and cash equivalents at the end of the year</b>	4.1	<u><u>4,068,052</u></u>	<u><u>4,089,802</u></u>	<u><u>2,792,584</u></u>	<u><u>3,227,739</u></u>

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

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FEBRUARY 28, 2019**

**1. OPERATIONS OF THE COMPANY**

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

As at February 28, 2019 and 2018, the Company has head office and branches totaling 104 locations and 107 locations, respectively.

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

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 Note 2.4, Note 8.1 and Note 8.2.

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

- 2.1 The Group and the Company maintain its accounting records in Thai Baht and prepare their statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Group's and the Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2017) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2018 onwards, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding "The Preparation and Submission of Financial Statements and Reports for the Financial Position and Results of Operations of the Listed Companies B.E. 2560" and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No. 2) B.E. 2559" dated October 11, 2016.
- 2.3 The consolidated financial statements for the years ended February 28, 2019 and 2018 included the accounts of the Company and its subsidiaries and interest in equity-accounted in an associate. Significant transactions and balances between the Company and its subsidiaries have been eliminated.

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

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

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

2.3.2 An associate is an entity in which the Company has significant influence, but no control or joint control, over the financial and operating policies.

Interest in the associate is accounted for using the equity method. It is recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investee, until the date on which significant influence ceases.

2.4 For the years ended February 28, 2019 and 2018, the subsidiaries included in the consolidated financial statements are as follows:

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings (%)	
				2019	2018
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	50.00 <sup>(3)</sup>	80.00
AEON Microfinance (Myanmar) Company Limited	Retail finance business	Myanmar	November 2, 2012	100.00	100.00
AEON Leasing Service (Lao) Company Limited <sup>(1)</sup>	Retail finance business	Laos	January 11, 2013	100.00	100.00
ATS Rabbit Special Purpose Vehicle Company Limited <sup>(2)</sup>	Special purpose juristic person in securitization projects	Thailand	March 20, 2015	48.75	48.75

(1) 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.

(2) 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.

(3) Since April 24, 2018, the proportion of the Company's shareholding in AEON Specialized Bank (Cambodia) Plc. (the "subsidiary") decreased from 80% to 50% because the Company waived the rights to purchase the increased shares of the subsidiary; however, the Company has retained the power to control over the subsidiary in accordance with the requirement of TFRS No.10 (Revised 2017) "Consolidated Financial Statements" (see Note 8.2).



For the years ended February 28, 2019 and 2018, the consolidated financial statements include equity interest in an associate as follows:

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings (%)	
				2019	2018
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.

- 2.5 The financial statements of subsidiaries and the 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 the associate using the most recent financial statements of the subsidiaries and the 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 dates of the end of the reporting period of the financial statements of the aforementioned subsidiaries and the associate are as follows:

	The date of the end of the reporting period in preparation of the consolidated financial statements For the years ended February 28,	
	2019	2018
<b>Subsidiaries</b>		
ACS Servicing (Thailand) Company Limited	December 31, 2018	December 31, 2017
AEON Insurance Service (Thailand) Company Limited	December 31, 2018	December 31, 2017
AEON Specialized Bank (Cambodia) Plc.	December 31, 2018	December 31, 2017
AEON Microfinance (Myanmar) Company Limited	December 31, 2018	December 31, 2017
AEON Leasing Service (Lao) Company Limited	December 31, 2018	December 31, 2017
<b>Associate</b>		
ACS Trading Vietnam Company Limited	December 31, 2018	December 31, 2017

- 2.6 Thai Financial Reporting Standards affecting the presentation and disclosure in the current year financial statements

During the period, the Group and the Company have adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for the accounting periods beginning on or after January 1, 2018. 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, except the following financial reporting standard:

## Thai Accounting Standard No. 7 (Revised 2017) “Statement of Cash Flows”

This revised accounting standard requires the disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This accounting standard requires prospective method for such amendment.

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

#### 2.7.1 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2019

##### New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the periods beginning on or after January 1, 2019 onwards.

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

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers

##### **Thai Financial Reporting Standard Interpretation (“TFRIC”)**

TFRIC 22	Foreign Currency Transactions and Advance Consideration
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There is a key change to the core principle of TFRS 15, which introduces a 5-step approach to revenue recognition, as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under TFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied. TFRS 15 will supersede the Standards and Interpretations relating to revenue upon its effective date.

### Thai Financial Reporting Standards (TFRSs) Revised 2018

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRSs) Revised 2018 which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards. 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 reference to other TFRSs except for the following TFRSs, which there are revision or additional paragraph and accounting guidance.

Thai Accounting Standard No. 28 (Revised 2018) “Investment in Associates and Joint Ventures” clarifies about the election of measurement an investment in an associate or a joint venture at fair value through profit or loss, and clarifies the consideration about the impairment of an investment in an associate or a joint venture. This accounting standard requires retrospective method for such amendment.

Thai Accounting Standard No. 40 (Revised 2018) “Investment Property” clarifies about transfers of investment property to, or from, other accounts when, and only when, there is a change in use. This accounting standard requires prospective method for such amendment.

Thai Financial Reporting Standard No. 2 (Revised 2018) “Share-based Payment” adds the requirements, which require prospective method for the amendment as follows:

- 1) The requirement about treatment of vesting and non-vesting for a cash-settled share-based payment transaction
- 2) The requirement about share-based payment transactions with a net settlement feature for withholding tax obligations
- 3) The requirement about accounting for a modification of a share-based payment transaction that changes its classification from cash-settled to equity-settled

Thai Financial Reporting Standard No. 4 (Revised 2018) “Insurance Contracts” determines the option for insurance industry to temporarily exempt from applying Thai Financial Reporting Standard No. 9 “Financial Instruments” (“TFRS 9”). An entity can elect to exempt from TFRS 9 for annual periods beginning before January 1, 2022 or before TFRS 17 is effective.

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 they become effective. The Group's and the Company's management have assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Group and the Company in the period of initial application.

2.7.2 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the periods beginning on or after January 1, 2020 onwards, as follows:

Group of Financial Instruments Standards

**Thai Accounting Standards (“TAS”)**

TAS 32                      Financial Instruments: Presentation

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

TFRS 7                      Financial Instruments: Disclosures

TFRS 9                      Financial Instruments

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

TFRIC 16                    Hedges of a Net Investment in a Foreign Operation

TFRIC 19                    Extinguishing Financial Liabilities with Equity Instruments

This group of Standards makes stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon their effective date.

### Thai Financial Reporting Standards No. 16 “Leases”

This financial reporting standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the entity. An entity shall consider the terms and conditions of contracts and all relevant facts and circumstances when applying this Standard. An entity shall apply this Standard consistently to contracts with similar characteristics and in similar circumstances.

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 they become effective. The Group’s and the Company’s management are 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 financial statements have been prepared on the historical cost basis except as disclosed in the following:

#### **3.1 Cash and cash equivalents**

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

#### **3.2 Trade receivables**

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

Trade receivables of insurance broker business are stated at total amount of premium to be collected from customers for forwarding to insurance companies including the portion of the Company’s commission.

#### **3.3 Allowance for doubtful accounts and bad debts**

The Company calculated allowance for doubtful accounts on trade receivables based on a collective approach by classifying a group of loans having similar credit risk characteristics and using the historical loss experience including considering macroeconomic factors which might have an effect on the ability to repay the debt of the loan groups, for estimation of allowance for doubtful accounts of each loan group. The Company’s allowance for doubtful accounts shall not be less than allowance for doubtful accounts fully provided for all receivables over 3 installments contractually past due in order to comply with the notification of the Office of the Securities and Exchange Commission (the “SEC”).

The Company and subsidiaries have written-off debts that are determined to be irrecoverable.

Bad debt recovery is recorded as income in the statement of profit or loss when received.

#### 3.4 Troubled debt restructuring

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

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

#### 3.5 Securitization transactions

Securitization Project which was approved by the SEC on October 2, 2015

The Company has adopted the “Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities” issued by the FAP for securitization transactions under the Project which was approved by the SEC on October 2, 2015 for ATS Rabbit Special Purpose Vehicle Company Limited.

The financial assets will be derecognized when the contractual rights to the cash flows from the assets expire, or when the Company transfers the financial assets and substantially all the risks and rewards of ownership of the assets to another party with no control over the transferred assets. If the transferred assets do not qualify for derecognition, the Company will continue to recognize the financial assets in its entirety and recognize an associated liability or collateralized borrowing for the amount it may have to pay. These financial assets and an associated liability or collateralized borrowing will be separately presented.

If the transferred assets are qualified for derecognition, the difference between the financial assets’ carrying amount and the consideration received will be recognized in the statement of profit or loss.

#### 3.6 Investments

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

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

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

In case impairment in value of investment has occurred, the loss result of investment is recognized in the statement of profit or loss.

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

### 3.7 Leasehold improvement and equipment

Leasehold improvement and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

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

### 3.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization and allowance for impairment (if any).

Intangible assets are computer software which are amortized by the straight-line method over the estimated useful lives of 5 years and 10 years.

### 3.9 Assets and liabilities in foreign currencies

#### 3.9.1 Functional currency and presentation currency

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

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

#### 3.9.2 Translation of foreign currency transaction

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

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

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

### 3.9.3 Translation of financial statements of foreign operations

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

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

Gains (losses) on translation of financial statements of foreign operations are shown as other components of equity under shareholders' equity.

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

### 3.10 Financial instruments

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

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

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

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

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



### 3.11 Lease agreements

#### Finance lease agreements

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

#### Operating lease agreements

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

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

### 3.12 Recognition of revenues and expenses

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

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

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

Collection service income is recognized when debt is collected.

Dividend income is recognized on the date the Company’s rights to receive payments is established.

Other income and expenses are recognized on an accrual basis.

### 3.13 Employee Benefits

#### 3.13.1 Provident Fund

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

#### 3.13.2 Post-employment benefits

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

Gains (losses) on remeasurements of defined benefit plans are recognized in the statement of profit or loss and other comprehensive income.

### 3.14 Deferred revenue from customer loyalty programs

Customer loyalty programs are to grant the points whereby customers are awarded credits (Points) entitling customers to the rights to redeem within a determined period under the condition of customer loyalty programs. Obligations from granting the points to purchase products or get free service in the future are recognized and measured at the fair value of consideration received or receivable which is derived from points expected to redeemed, multiplied by the estimated fair value per point, referring to the fair value of the rewards. Such obligations are allocated from consideration received or receivable and recorded through "Deferred revenue from customer loyalty programs" in the statement of financial position under "Other payables" and recognized in the statement of profit or loss as "Credit card income" when the points are redeemed by customers.

### 3.15 Income tax expense

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

#### 3.15.1 Current tax

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

### 3.15.2 Deferred tax

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

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

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

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

### 3.16 Basic earnings per share

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

### 3.17 Fair value measurements

In estimating the fair value of an asset or a liability, the management takes into account the characteristics of the asset or liability if a producer or supplier of marketable goods would take those characteristics into the consideration the price that would be received to sell an asset or paid to transfer a liability at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair values for disclosure in the financial statements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are on as follows:

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

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

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

### 3.18 Use of management's judgments and key sources of estimation uncertainty

#### 3.18.1 Use of management's judgments in applying accounting policies

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Group's and the Company's management to exercise various judgments in applying accounting policies that can significantly affect the recognition and disclosures in the financial statements. Significant judgments in applying accounting policies are as follows:

##### (1) Allowance for doubtful accounts

The Company determines allowance for doubtful accounts on trade receivables based on a collective approach which requires the management to exercise judgments in classifying a group of loans having similar credit risk characteristics and using the historical loss experience including considering macroeconomic factors which might have an effect on the ability to repay the debt of the loan groups, for estimation of allowance for doubtful accounts of each loan group.

##### (2) Deferred revenue from customer loyalty programs

The deferred revenue from customer loyalty programs granted to the Company's customers is calculated based on the estimates of redemption rate of the reward points earned by the customers and fair value of reward prices, and is presented in the statement of financial position under "Other payables".

##### (3) Provisions for employee benefits

The present value of the provisions for employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such provisions.

The Group and the Company determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the provisions for employee benefit. In determining the appropriate discount rate, the Group and the Company consider the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related provisions. Additional information is disclosed in Note 21.

Past service cost related to plan amendment is recognized as an expense in the statement of profit or loss when the plan amendment is occurred. The management of the Group and the Company judgmentally consider that an obligation arises only when the legislation is virtually certain to be enacted.

### 3.18.2 Key sources of estimation uncertainty

The Group and the Company have estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

#### Fair value measurements and valuation processes

In estimating the fair value of an asset or liability, the Group and the Company use market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group and Company engage third party qualified valuers to perform the valuation.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 34.5.

## 4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at February 28, 2019 and 2018, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS 2019 Baht '000	FINANCIAL STATEMENTS 2018 Baht '000	FINANCIAL STATEMENTS 2019 Baht '000	FINANCIAL STATEMENTS 2018 Baht '000
Cash	1,231,759	1,302,910	1,210,669	1,281,876
Deposits at bank - call deposits	2,836,293	2,786,892	1,581,915	1,945,863
Cash and cash equivalents	<u>4,068,052</u>	<u>4,089,802</u>	<u>2,792,584</u>	<u>3,227,739</u>

4.2 Cash paid for purchase of leasehold improvement and equipment and intangible assets for the years ended February 28, 2019 and 2018, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Leasehold improvement and equipment				
Liabilities recorded - brought forward	28,400	10,042	25,232	10,042
Purchase of leasehold improvement and equipment	456,411	257,096	477,364	157,040
	<u>484,811</u>	<u>267,138</u>	<u>502,596</u>	<u>167,082</u>
<u>Less</u> Liabilities relating to transferred employees (see Note 21)	-	-	(28,316)	-
<u>Less</u> Cash paid for purchase of leasehold improvement and equipment	<u>(455,881)</u>	<u>(238,738)</u>	<u>(445,607)</u>	<u>(141,850)</u>
Liabilities recorded - carried forward	<u>28,930</u>	<u>28,400</u>	<u>28,673</u>	<u>25,232</u>
Intangible assets				
Liabilities recorded - brought forward	11,017	3,897	11,017	3,897
Purchase of intangible assets	212,587	130,581	196,088	101,949
	<u>223,604</u>	<u>134,478</u>	<u>207,105</u>	<u>105,846</u>
<u>Less</u> Cash paid for purchase of intangible assets	<u>(194,713)</u>	<u>(123,461)</u>	<u>(178,215)</u>	<u>(94,829)</u>
Liabilities recorded - carried forward	<u>28,891</u>	<u>11,017</u>	<u>28,890</u>	<u>11,017</u>

4.3 The Company had non-cash items relating to sale of the rights on loans receivable to ATS Rabbit Special Purpose Vehicle Company Limited, a subsidiary, which the Company had sold loans receivable to. During the year ended February 28, 2019, such sale was settled by increasing the Subordinated lendings Account and the Seller loan Account of Baht 12.92 million and Baht 160.83 million, respectively, and during the year ended February 28, 2018 by increasing the Subordinated lendings Account and the Seller loan Account of Baht 25.89 million and Baht 27.44 million, respectively, instead of cash receipt.

4.4 Changes in liabilities arising from financing activities for the years ended February 28, 2019 and 2018 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					As at February 28, 2019
	As at March 1, 2018	Changes in cash flows		Non-cash items		
	Baht '000	Cash received	Cash paid	Differences on translating foreign currencies	Others	
Bank overdrafts and short-term borrowings from financial institutions	3,952,399	75,902,324	(72,651,633)	(102,887)	-	7,100,203
Liabilities under finance lease agreements	10,884	-	(9,973)	-	-	911
Long-term borrowings	40,788,123	12,889,520	(13,727,072)	654,269	14,024	40,618,864
Long-term debentures	14,593,173	3,032,512	(1,687,850)	(19,705)	20,490	15,938,620
Subordinated borrowings	71,157	12,917	-	-	-	84,074

	CONSOLIDATED FINANCIAL STATEMENTS					As at February 28, 2018
	As at March 1, 2017	Changes in cash flows		Non-cash items		
	Baht '000	Cash received	Cash paid	Differences on translating foreign currencies	Others	
Bank overdrafts and short-term borrowings from financial institutions	3,501,820	47,344,612	(46,894,034)	1	-	3,952,399
Liabilities under finance lease agreements	16,886	-	(6,002)	-	-	10,884
Long-term borrowings	37,424,010	14,993,398	(9,099,544)	(2,540,121)	10,380	40,788,123
Long-term debentures	14,722,070	4,066,097	(3,242,000)	(978,991)	25,997	14,593,173
Subordinated borrowings	45,263	25,894	-	-	-	71,157

	SEPARATE FINANCIAL STATEMENTS					As at February 28, 2019
	As at March 1, 2018	Changes in cash flows		Non-cash items		
	Baht '000	Cash received	Cash paid	Differences on translating foreign currencies	Others	
Bank overdrafts and short-term borrowings from financial institutions	2,820,000	73,690,121	(71,819,958)	-	-	4,690,163
Long-term borrowings	40,164,026	12,889,520	(13,727,072)	658,684	14,024	39,999,182
Long-term borrowings under securitization project	1,366,167	1,052,373	(806,947)	-	40,922	1,652,515
Long-term debentures	13,352,603	2,800,000	(1,687,850)	(19,705)	20,490	14,465,538

	SEPARATE FINANCIAL STATEMENTS					As at February 28, 2018 Baht '000
	As at March 1, 2017 Baht '000	Changes in cash flows		Non-cash items		
		Cash received Baht '000	Cash paid Baht '000	Differences on translating foreign currencies Baht '000	Others Baht '000	
Bank overdrafts and short-term borrowings from financial institutions	2,580,042	46,156,690	(45,916,732)	-	-	2,820,000
Long-term borrowings	36,955,978	14,498,000	(8,760,210)	(2,540,121)	10,379	40,164,026
Long-term borrowings under securitization project	789,300	1,376,466	(763,078)	-	(36,521)	1,366,167
Long-term debentures	13,947,597	3,600,000	(3,242,000)	(978,991)	25,997	13,352,603

## 5. TRADE RECEIVABLES

5.1 Trade receivables as at February 28, 2019 and 2018, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019 Baht '000	2018 Baht '000	2019 Baht '000	2018 Baht '000
Trade receivables	80,859,809	74,457,393	77,052,776	72,122,528
Trade receivables under securitization project - ATS Rabbit Special Purpose Vehicle Company Limited	1,652,515	1,366,167	1,652,515	1,366,167
Total	82,512,324	75,823,560	78,705,291	73,488,695
<u>Less</u> Allowance for doubtful accounts	<u>(2,879,968)</u>	<u>(2,415,692)</u>	<u>(2,806,641)</u>	<u>(2,356,958)</u>
<b>Total trade receivables</b>	<b>79,632,356</b>	<b>73,407,868</b>	<b>75,898,650</b>	<b>71,131,737</b>
Trade receivables due within 1 year	77,800,975	72,466,271	75,412,204	70,883,021
Trade receivables due after 1 year	1,831,381	941,597	486,446	248,716
<b>Total trade receivables</b>	<b>79,632,356</b>	<b>73,407,868</b>	<b>75,898,650</b>	<b>71,131,737</b>

As the securitization transaction under the Receivables Sale and Purchase Agreement for transferred rights on loans receivable 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 Federation of Accounting Professions, the Company continues to recognize the full carrying amount of these receivables and use them as collateral for long-term borrowings under the securitization project (see Note 5.5).



As at February 28, 2019 and 2018, trade receivables are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	2019			2018		
	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000
<b>Hire-purchase receivable</b>						
Hire-purchase and accrued interest receivable	913,412	1,392,049	2,305,461	677,663	654,252	1,331,915
<u>Less</u> Unearned financing income	<u>(74,191)</u>	<u>(112,917)</u>	<u>(187,108)</u>	<u>(46,135)</u>	<u>(18,832)</u>	<u>(64,967)</u>
	839,221	1,279,132	2,118,353	631,528	635,420	1,266,948
<u>Less</u> Allowance for doubtful accounts	<u>(54,309)</u>	<u>-</u>	<u>(54,309)</u>	<u>(45,040)</u>	<u>-</u>	<u>(45,040)</u>
Hire-purchase and accrued interest receivable - net	<u>784,912</u>	<u>1,279,132</u>	<u>2,064,044</u>	<u>586,488</u>	<u>635,420</u>	<u>1,221,908</u>
<b>Loans receivable</b>						
Loans and accrued interest receivable	43,037,869	552,249	43,590,118	39,490,563	306,177	39,796,740
<u>Less</u> Allowance for doubtful accounts	<u>(1,728,606)</u>	<u>-</u>	<u>(1,728,606)</u>	<u>(1,406,224)</u>	<u>-</u>	<u>(1,406,224)</u>
Loans and accrued interest receivable - net	<u>41,309,263</u>	<u>552,249</u>	<u>41,861,512</u>	<u>38,084,339</u>	<u>306,177</u>	<u>38,390,516</u>
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	36,623,244	-	36,623,244	34,588,275	-	34,588,275
<u>Less</u> Allowance for doubtful accounts	<u>(1,096,147)</u>	<u>-</u>	<u>(1,096,147)</u>	<u>(962,919)</u>	<u>-</u>	<u>(962,919)</u>
Credit card and accrued interest receivable - net	<u>35,527,097</u>	<u>-</u>	<u>35,527,097</u>	<u>33,625,356</u>	<u>-</u>	<u>33,625,356</u>
<b>Receivable from rendering the collection service</b>						
Receivable from rendering the collection service	11,360	-	11,360	48,855	-	48,855
<u>Less</u> Allowance for doubtful accounts	<u>(906)</u>	<u>-</u>	<u>(906)</u>	<u>(1,509)</u>	<u>-</u>	<u>(1,509)</u>
Receivable from rendering the collection service - net	<u>10,454</u>	<u>-</u>	<u>10,454</u>	<u>47,346</u>	<u>-</u>	<u>47,346</u>
<b>Receivable from insurance broker business</b>	169,249	-	169,249	122,742	-	122,742
<b>Total trade receivables</b>	<u>77,800,975</u>	<u>1,831,381</u>	<u>79,632,356</u>	<u>72,466,271</u>	<u>941,597</u>	<u>73,407,868</u>

SEPARATE FINANCIAL STATEMENTS						
	2019			2018		
	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000
	<b>Hire-purchase receivable</b>					
Hire-purchase and accrued interest receivable	251,154	570,270	821,424	234,008	123,042	357,050
<u>Less</u> Unearned financing income	(74,191)	(112,917)	(187,108)	(46,135)	(18,832)	(64,967)
	176,963	457,353	634,316	187,873	104,210	292,083
<u>Less</u> Allowance for doubtful accounts	(21,491)	-	(21,491)	(11,114)	-	(11,114)
Hire-purchase and accrued interest receivable - net	155,472	457,353	612,825	176,759	104,210	280,969
<b>Loans receivable</b>						
Loans and accrued interest receivable	41,788,870	29,093	41,817,963	38,652,542	144,506	38,797,048
<u>Less</u> Allowance for doubtful accounts	(1,696,792)	-	(1,696,792)	(1,386,302)	-	(1,386,302)
Loans and accrued interest receivable - net	40,092,078	29,093	40,121,171	37,266,240	144,506	37,410,746
<b>Credit card receivable</b>						
Credit card and accrued interest receivable	36,253,012	-	36,253,012	34,399,564	-	34,399,564
<u>Less</u> Allowance for doubtful accounts	(1,088,358)	-	(1,088,358)	(959,542)	-	(959,542)
Credit card and accrued interest receivable - net	35,164,654	-	35,164,654	33,440,022	-	33,440,022
<b>Total trade receivables</b>	<u>75,412,204</u>	<u>486,446</u>	<u>75,898,650</u>	<u>70,883,021</u>	<u>248,716</u>	<u>71,131,737</u>

## 5.2 Quality of assets

Trade receivables as at February 28, 2019 and 2018, classified by aging, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019 Baht '000	2018 Baht '000	2019 Baht '000	2018 Baht '000
	Less than 3 months	80,229,545	74,044,653	76,487,508
3 months up	2,282,779	1,778,907	2,217,783	1,727,390
Total	82,512,324	75,823,560	78,705,291	73,488,695
<u>Less</u> Allowance for doubtful accounts	(2,879,968)	(2,415,692)	(2,806,641)	(2,356,958)
<b>Total trade receivables</b>	<u>79,632,356</u>	<u>73,407,868</u>	<u>75,898,650</u>	<u>71,131,737</u>

### 5.3 Troubled debt restructuring

For the years ended February 28, 2019 and 2018, the Company had recognized interest income on restructured debts totaling Baht 206.27 million and Baht 205.97 million, respectively.

The Group and the Company had outstanding balances of credit card receivable, hire-purchase receivable and loans receivable as at February 28, 2019 and 2018, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019		2018	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured trade receivables	38,939	1,405,855	45,562	1,487,941
Non-restructured trade receivables	3,334,476	80,925,860	3,487,624	74,164,022
Total	<u>3,373,415</u>	<u>82,331,715</u>	<u>3,533,186</u>	<u>75,651,963</u>

	SEPARATE FINANCIAL STATEMENTS			
	2019		2018	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured trade receivables	38,904	1,398,483	45,528	1,475,496
Non-restructured trade receivables	3,027,374	77,306,808	3,210,892	72,013,199
Total	<u>3,066,278</u>	<u>78,705,291</u>	<u>3,256,420</u>	<u>73,488,695</u>

As at February 28, 2019 and 2018, 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 February 28, 2019 and 2018, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	2,415,692	2,259,949	2,356,958	2,211,771
Bad debts and doubtful accounts	5,284,541	4,678,530	5,087,827	4,528,435
Gain on devaluation of long-term borrowings under securitization project	-	-	132,828	89,860
Written-off bad debts	(4,820,265)	(4,522,787)	(4,770,972)	(4,473,108)
Ending balance	<u>2,879,968</u>	<u>2,415,692</u>	<u>2,806,641</u>	<u>2,356,958</u>

## 5.5 Transfers of financial assets

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

Details of aforementioned sales of receivables are summarized as follows:

		<b>ATS Rabbit*</b>
Approved date of the securitization project by the SEC		October 2, 2015
Initial selling date		October 29, 2015
Type of transferred receivables		Loans receivable
Revolving period		October 2015 - October 2025 (approximately)
<b>Initial sale of receivables</b>		
Net book value of initial receivables	Baht	456,076,200
Proceeds from transfer of the rights in receivables	Baht	433,272,390
Subordinated lendings	Baht	50,081,313
Minimum seller loans - pari passu with debentures	Baht	None
Number of contracts		49,225
Average principal amount outstanding	Baht	9,265
Interest rate		28% p.a.

\* 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 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.

The key financial information of Special Purpose Vehicle Company is summarized as follows:

	<b>ATS Rabbit*</b>	
	<b>Baht '000 2019</b>	<b>Baht '000 2018</b>
<b>Statements of financial position</b>		
<b>As at February 28,</b>		
Total assets	1,933,420	1,498,725
Total liabilities	1,933,376	1,498,681
Total shareholders' equity	44	44
<b>Statement of profit or loss</b>		
<b>For the years ended February 28,</b>		
Total revenues	411,045	295,066
Bad debts and doubtful accounts	132,828	89,860
Other operating expenses	103,622	73,609
Interest expenses	80,334	61,401
Income tax expense	18,852	14,039
Net profit	75,409	56,157

\* ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit) is the Company's subsidiary (see Notes 2.4 and 8.2).

For the years ended February 28, 2019 and 2018, transactions relating to the transfers of financial assets under the securitization projects are summarized as follows:

	<b>2019</b> <b>Million</b> <b>Baht</b>	<b>2018</b> <b>Million</b> <b>Baht</b>
Transfers of future receivables and additional receivables (at book value)		
- Loans receivable (ATS Rabbit)	1,226	1,430
	<u>1,226</u>	<u>1,430</u>
Cash collection on behalf of Special Purpose Vehicles		
- Loans receivable (ATS Rabbit)	1,216	950
	<u>1,216</u>	<u>950</u>
Servicing income on cash collection from Special Purpose Vehicles		
- Loans receivable (ATS Rabbit)	81	57
	<u>81</u>	<u>57</u>

## 6. OTHER RECEIVABLES

Other receivables as at February 28, 2019 and 2018, consist of the following:

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
Other receivables - related companies (see Note 31.2.1)	3,861	850	107,912	46,735
Other receivables - other companies	434,998	566,846	365,878	533,576
Prepaid expenses	150,751	106,573	113,554	79,511
Advance payment	30,665	21,642	588	140
Accrued income	17,576	21,461	-	21
Total	<u>637,851</u>	<u>717,372</u>	<u>587,932</u>	<u>659,983</u>

## 7. FIXED DEPOSITS AT BANKS UNDER OBLIGATIONS

As at February 28, 2019 and 2018, 4 subsidiaries have fixed deposits at banks under obligations as follows:

	<b>CONSOLIDATED</b>	
	<b>FINANCIAL STATEMENTS</b>	
	<b>2019</b>	<b>2018</b>
	<b>Baht '000</b>	<b>Baht '000</b>
Pledge as collateral for bank's letters of guarantee issued for debt collection service	1,569	1,058
Reserve in accordance with insurance regulations	3,000	3,000
Legal reserve of the foreign subsidiaries	37,570	25,782
Total	<u>42,139</u>	<u>29,840</u>

## 8. 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:

### 8.1 Investment in an associate in the consolidated financial statements

As at February 28, 2019 and 2018, 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:

	Paid-up capital	% of Ownership	CONSOLIDATED FINANCIAL STATEMENTS			
			2019		2018	
			Cost method Baht '000	Equity method Baht '000	Cost method Baht '000	Equity method Baht '000
<b>Investment in an associate</b>						
ACS Trading Vietnam Company Limited	VND 50,000 million	20.00	16,819.3	38,095.9	16,819.3	32,482.3
<b>Total investment in an associate</b>			<u>16,819.3</u>	<u>38,095.9</u>	<u>16,819.3</u>	<u>32,482.3</u>

The summarized financial information of an associate used for preparation of the consolidated financial statements are as follows:

#### ACS Trading Vietnam Company Limited

	As at February 28,	
	2019 Baht '000	2018 Baht '000
Total assets	<u>1,796,521</u>	<u>2,015,589</u>
Total liabilities	<u>1,634,982</u>	<u>1,864,564</u>
	<b>For the years ended February 28,</b>	
	<b>2019</b> Baht '000	<b>2018</b> Baht '000
Total revenues	<u>683,985</u>	<u>512,506</u>
Net profit	<u>28,068</u>	<u>4,722</u>

The consolidated statements of profit or loss for the years ended February 28, 2019 and 2018, recognized share of profit from investment in an associate according to the proportion of the ownership interest in an associate as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2019 Baht '000	2018 Baht '000
<b>Share of profit from investment in an associate</b>		
ACS Trading Vietnam Company Limited	<u>5,614</u>	<u>944</u>

Reconciliation of the above summarized financial information to the carrying amount of the interest in an associate recognized in the consolidated financial statements for the years ended February 28, 2019 and 2018, are as follows:

	<b>CONSOLIDATED</b>	
	<b>FINANCIAL STATEMENTS</b>	
	<b>2019</b>	<b>2018</b>
	<b>Baht '000</b>	<b>Baht '000</b>
Net assets of an associate	161,539	151,025
Proportion of the ownership interest in an associate (%)	20.00	20.00
	<u>32,308</u>	<u>30,205</u>
Goodwill	-	-
Other adjustments		
- Exchange differences on acquisition date	5,788	2,277
Carrying amount of the investment in an associate	<u>38,096</u>	<u>32,482</u>

## 8.2 Investments in an associate and subsidiaries in the separate financial statements

As at February 28, 2019 and 2018, the Company had investments in an associate and subsidiaries which are accounted for using the cost method in the separate financial statements as follows:

	<b>SEPARATE FINANCIAL STATEMENTS</b>			
	<b>2019</b>		<b>2018</b>	
	<b>% of</b>	<b>Cost</b>	<b>% of</b>	<b>Cost</b>
	<b>Ownership</b>	<b>Baht '000</b>	<b>Ownership</b>	<b>Baht '000</b>
<b>Investment in an associate and subsidiaries</b>				
Investment in an associate (see Note 31.1)				
ACS Trading Vietnam Company Limited	20.00	16,819.3	20.00	16,819.3
<b>Total investment in an associate</b>		<u>16,819.3</u>		<u>16,819.3</u>
Investments in subsidiaries (see Note 31.1)				
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.	50.00	323,580.0	80.00	323,580.0
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
<b>Total investments in subsidiaries</b>		<u>1,028,011.1</u>		<u>1,028,011.1</u>
<b>Total investments in an associate and subsidiaries</b>		<u>1,044,830.4</u>		<u>1,044,830.4</u>



On February 26, 2018, the Shareholders' Meeting of AEON Specialized Bank (Cambodia) Plc., which is a subsidiary of the Company, had a resolution to approve the issuance of 7,500,000 new ordinary shares at USD 1 per share for business expansion responding to the minimum capital requirement by the National Bank of Cambodia ("NBC") to existing shareholders based on existing share proportion. However, the Board of Directors' Meeting of the Company had a resolution to waive the rights to purchase the increased shares of the subsidiary. Subsequently, on March 7, 2018, AEON Financial Service Co., Ltd., which is the Company's major shareholder and another shareholder of the subsidiary, paid for the capital injection to such subsidiary in the amount of USD 7.50 million. The subsidiary registered the increased share capital on April 24, 2018. After the completion of increased share capital registration, the proportion of the Company's shareholding in the subsidiary decreased from 80% to 50%. However, the Company has retained the power to control over the subsidiary in accordance with the requirement of TFRS No.10 (Revised 2017) "Consolidated Financial Statements".

In addition, the Shareholders' Meeting of the subsidiary had a resolution to approve the declaration of dividend payment for the fiscal year 2017 in the amount of USD 0.092 per share from total retained earnings as at December 31, 2017, to the shareholders based on shareholders' structure at that time (prior to the change in shareholders' structure). The dividend would be paid after getting approval from the NBC. Subsequently, on June 14, 2018, the subsidiary obtained an approval from the NBC on dividend payment totaling USD 1.15 million or equivalent to Baht 36.77 million, which was paid to the shareholders on June 29, 2018.

8.3 Long-term investments in related companies as at February 28, 2019 and 2018, consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2019		2018	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
<b>Long-term investments in related companies</b>				
AEON (Thailand) Co., Ltd. (340,000 shares of Baht 100 each, Baht 25 called up)	5.23	8,500	5.23	8,500
PT. AEON Credit Service Indonesia (173 shares of IDR 30 million each, par value of IDR 30 million, fully paid)	2.59*	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
		35,217		35,217
<u>Less</u> Allowance for impairment of investment		(15,145)		(15,145)
<b>Total long-term investments in related companies</b>		<b>20,072</b>		<b>20,072</b>

\* On October 31, 2018, PT. AEON Credit Service Indonesia registered the increase of share capital of 3,340 shares at the par value of IDR 30 million each. However, the Company waived the right to purchase the increased shares of the related company. As a result, the proportion of the Company's shareholding decreased from 5.18% to 2.59%.

**9. SELLER LOAN IN SPECIAL PURPOSE VEHICLE FOR SECURITIZATION**

Seller loan in Special Purpose Vehicle for securitization as at February 28, 2019 and 2018, are as follows:

	SEPARATE FINANCIAL STATEMENTS	
	2019	2018
	Baht '000	Baht '000
Seller loan in Special Purpose Vehicle for securitization (see Note 31.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	199,920	39,087
<b>Total Seller loan in Special Purpose Vehicle for securitization</b>	<u>199,920</u>	<u>39,087</u>

Subsequent to the sale of the rights in initial loans receivable under securitization project, the Company received partial payments from ATS Rabbit with Seller Loan Account under securitization project for sales of the rights in loans receivable to ATS Rabbit during the sale period of the rights in additional receivables or repurchase period of the rights in loans receivable. Such Seller Loan Account will decrease from cash repayment when the outstanding amount reaches or exceeds determined level or the duration after the closing date reaches or exceed the determined level, or every 3-month period after the payment date as agreed in the agreement, whichever is earlier.

**10. SUBORDINATED LENDINGS AND SUBORDINATED BORROWINGS**

10.1 Subordinated lendings to Special Purpose Vehicle as at February 28, 2019 and 2018, are as follows:

	SEPARATE FINANCIAL STATEMENTS	
	2019	2018
	Baht '000	Baht '000
Subordinated lendings (see Note 31.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	84,074	71,157
<b>Total subordinated lendings</b>	<u>84,074</u>	<u>71,157</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 (see Note 5.5) and originated transaction cost, and of Future Receivables and Additional Receivables, which are settled by Seller Loan Account and backed for each issuance of debentures of ATS Rabbit, for the purposes of partial payment for the sales of rights in loans receivable.

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

10.2 Subordinated borrowings of Special Purpose Vehicle as at February 28, 2019 and 2018, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2019	2018
	Baht '000	Baht '000
Subordinated borrowings		
ATS Rabbit Special Purpose Vehicle Company Limited (ATC Rabbit)	84,074	71,157
<b>Total subordinated borrowings</b>	<u>84,074</u>	<u>71,157</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 (see Note 5.5) and originated transaction cost and of Future Receivables and Additional Receivables which are settled by Seller Loan Account and backed for each issuance of debentures of ATS Rabbit, for the purposes of partial payment for the purchase of rights in loans receivable.

The term borrowings are due within the year 2025 and the interest is payable on a monthly basis at the rate of 12% per annum.

## 11. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at February 28, 2019 and 2018, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Cost	3,826,638	3,473,718	3,126,972	2,725,319
<u>Less Accumulated depreciation</u>	<u>(2,869,809)</u>	<u>(2,573,223)</u>	<u>(2,323,753)</u>	<u>(2,085,405)</u>
<b>Total leasehold improvement and equipment</b>	<u>956,829</u>	<u>900,495</u>	<u>803,219</u>	<u>639,914</u>

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

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at February 28, 2018	Additions	Disposals/ Write-off	Transfer in (out)	Exchange differences on translating financial statements	Balance as at February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Cost</b>						
Leasehold improvement	1,118,522	52,170	(44,100)	27,421	(2,702)	1,151,311
Furniture and office equipment	2,352,885	255,850	(51,539)	53,756	(5,150)	2,605,802
Assets under installation	2,311	148,391	-	(81,177)	-	69,525
Total	3,473,718	456,411	(95,639)	-	(7,852)	3,826,638
<b>Accumulated depreciation</b>						
Leasehold improvement	(700,506)	(161,519)	41,301	-	1,346	(819,378)
Furniture and office equipment	(1,872,717)	(230,178)	50,134	-	2,330	(2,050,431)
Total	(2,573,223)	(391,697)	91,435	-	3,676	(2,869,809)
<b>Total leasehold improvement and equipment</b>	<u>900,495</u>					<u>956,829</u>

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at February 28, 2017	Additions	Disposals/ Write-off	Transfer in (out)	Exchange differences on translating financial statements	Balance as at February 28, 2018
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Cost</b>						
Leasehold improvement	1,077,766	54,361*	(44,533)	36,362	(5,434)*	1,118,522
Furniture and office equipment	2,272,631	131,407*	(102,170)	60,737	(9,720)*	2,352,885
Assets under installation	28,082	71,328	-	(97,099)	-	2,311
Total	3,378,479	257,096*	(146,703)	-	(15,154)*	3,473,718
<b>Accumulated depreciation</b>						
Leasehold improvement	(572,512)	(170,622)	39,494	-	3,134*	(700,506)
Furniture and office equipment	(1,761,115)	(216,797)	100,227	-	4,968*	(1,872,717)
Total	(2,333,627)	(387,419)	139,721	-	8,102*	(2,573,223)
<b>Total leasehold improvement and equipment</b>	<u>1,044,852</u>					<u>900,495</u>

\* The Group made changes to the presentation of the movements of leasehold improvement and equipment for the year ended February 28, 2018 comparison to be in accordance with the current year presentation.

	SEPARATE FINANCIAL STATEMENTS				Balance as at February 28, 2019 Baht '000	
	Balance as at February 28, 2018 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000		
	<b>Cost</b>					
	Leasehold improvement	898,020	61,958	(40,706)		27,422
Furniture and office equipment	1,824,988	267,015	(35,005)	53,756	2,110,754	
Assets under installation	2,311	148,391	-	(81,178)	69,524	
Total	2,725,319	477,364	(75,711)	-	3,126,972	
<b>Accumulated depreciation</b>						
Leasehold improvement	(581,382)	(133,214)	38,358	-	(676,238)	
Furniture and office equipment	(1,504,023)	(178,290)	34,798	-	(1,647,515)	
Total	(2,085,405)	(311,504)	73,156	-	(2,323,753)	
<b>Total leasehold improvement and equipment</b>	<b>639,914</b>				<b>803,219</b>	

	SEPARATE FINANCIAL STATEMENTS				Balance as at February 28, 2018 Baht '000	
	Balance as at February 28, 2017 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (out) Baht '000		
	<b>Cost</b>					
	Leasehold improvement	878,988	23,176	(40,498)		36,354
Furniture and office equipment	1,780,680	62,536	(78,973)	60,745	1,824,988	
Assets under installation	28,082	71,328	-	(97,099)	2,311	
Total	2,687,750	157,040	(119,471)	-	2,725,319	
<b>Accumulated depreciation</b>						
Leasehold improvement	(481,517)	(135,406)	35,541	-	(581,382)	
Furniture and office equipment	(1,436,105)	(146,090)	78,172	-	(1,504,023)	
Total	(1,917,622)	(281,496)	113,713	-	(2,085,405)	
<b>Total leasehold improvement and equipment</b>	<b>770,128</b>				<b>639,914</b>	

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Depreciation for the years ended February 28,</b>	<b>391,697</b>	<b>387,419</b>	<b>311,504</b>	<b>281,496</b>

As at February 28, 2019 and 2018, costs of fully depreciated leasehold improvement and equipment still in use are as follows:

	2019 Baht '000	2018 Baht '000
Consolidated financial statements	1,753,369	1,635,513
Separate financial statements	1,604,085	1,380,149

## 12. INTANGIBLE ASSETS

Intangible assets as at February 28, 2019 and 2018, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Cost	3,896,184	3,688,679	3,467,402	3,272,965
Less Accumulated amortization	(3,321,678)	(3,161,175)	(3,008,854)	(2,873,795)
Allowance for impairment	(44,913)	-	(44,913)	-
<b>Total intangible assets</b>	<b>529,593</b>	<b>527,504</b>	<b>413,635</b>	<b>399,170</b>

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

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at February 28, 2018	Additions	Disposals/ Write-off	Transfer in (out)	Exchange differences on translating financial statements	Balance as at February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Cost</b>						
Computer software	3,566,318	100,912	(261)	107,531	(3,169)	3,771,331
Computer software under installation	122,361	111,675	(1,651)	(107,531)	(1)	124,853
Total	3,688,679	212,587	(1,912)	-	(3,170)	3,896,184
<b>Accumulated amortization</b>						
Computer software	(3,161,175)	(161,961)	261	-	1,197	(3,321,678)
<b>Allowance for impairment</b>						
Computer software under installation	-	(44,913)	-	-	-	(44,913)
<b>Total intangible assets</b>	<b>527,504</b>					<b>529,593</b>

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at February 28, 2017	Additions	Disposals/ Write-off	Transfer in (out)	Exchange differences on translating financial statements	Balance as at February 28, 2018
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
<b>Cost</b>						
Computer software	3,472,644	51,132*	(3,207)	58,883	(13,134)*	3,566,318
Computer software under installation	102,358	79,449	(563)	(58,883)	-	122,361
Total	3,575,002	130,581*	(3,770)	-	(13,134)*	3,688,679
<b>Accumulated amortization</b>						
Computer software	(2,983,457)	(185,909)	3,207	-	4,984*	(3,161,175)
<b>Total intangible assets</b>	<b>591,545</b>					<b>527,504</b>

\* The Group made changes to the presentation of the movements of intangible assets for the year ended February 28, 2018 comparison to be in accordance with the current year presentation.

	SEPARATE FINANCIAL STATEMENTS				Balance as at February 28, 2019 Baht '000
	Balance as at February 28, 2018	Additions	Disposals/ Write-off	Transfer in (out)	
	Baht '000	Baht '000	Baht '000	Baht '000	
<b>Cost</b>					
Computer software	3,150,685	87,662	-	105,769	3,344,116
Computer software under installation	122,280	108,426	(1,651)	(105,769)	123,286
Total	3,272,965	196,088	(1,651)	-	3,467,402
<b>Accumulated amortization</b>					
Computer software	(2,873,795)	(135,059)	-	-	(3,008,854)
<b>Allowance for Impairment</b>					
Computer software under installation	-	(44,913)	-	-	(44,913)
<b>Total intangible assets</b>	<u>399,170</u>				<u>413,635</u>

	SEPARATE FINANCIAL STATEMENTS				Balance as at February 28, 2018 Baht '000
	Balance as at February 28, 2017	Additions	Disposals/ Write-off	Transfer in (out)	
	Baht '000	Baht '000	Baht '000	Baht '000	
<b>Cost</b>					
Computer software	3,069,621	22,581	-	58,483	3,150,685
Computer software under installation	101,958	79,368	(563)	(58,483)	122,280
Total	3,171,579	101,949	(563)	-	3,272,965
<b>Accumulated amortization</b>					
Computer software	(2,734,645)	(139,150)	-	-	(2,873,795)
<b>Total intangible assets</b>	<u>436,934</u>				<u>399,170</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Amortization for the years ended February 28,</b>	<u>161,961</u>	<u>185,909</u>	<u>135,059</u>	<u>139,150</u>

As at February 28, 2019 and 2018, costs of fully amortized computer software still in use are as follows:

	2019 Baht '000	2018 Baht '000
Consolidated financial statements	<u>2,866,434</u>	<u>2,616,641</u>
Separate financial statements	<u>2,680,579</u>	<u>2,483,918</u>

### 13. DEFERRED TAX ASSETS

Deferred tax assets as at February 28, 2019 and 2018, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	567,388	476,804	561,328	471,392
Non-accrual of interest income	47,205	34,573	45,960	33,885
Allowance for impairment of investment and asset	12,012	3,029	12,012	3,029
Provisions for employee benefits	54,264	30,386	48,507	21,039
Deferred revenue from customer loyalty programs	48,870	36,254	44,351	34,464
Others	16,672	14,235	12,446	13,080
	<u>746,411</u>	<u>595,281</u>	<u>724,604</u>	<u>576,889</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on exchange rate of currency swap contracts	124,552	148,691	124,552	148,691
Others	209	-	-	-
	<u>124,761</u>	<u>148,691</u>	<u>124,552</u>	<u>148,691</u>
<b>Deferred tax assets</b>	<u>621,650</u>	<u>446,590</u>	<u>600,052</u>	<u>428,198</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance	Items as	Items as	Balance
	as at February 28, 2018	recognized in profit or loss	recognized in other comprehensive income	as at February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	476,804	90,584	-	567,388
Non-accrual of interest income	34,573	12,632	-	47,205
Allowance for impairment of investment and asset	3,029	8,983	-	12,012
Provisions for employee benefits	30,386	22,362	1,516	54,264
Deferred revenue from customer loyalty programs	36,254	12,616	-	48,870
Others	14,235	2,437	-	16,672
	<u>595,281</u>	<u>149,614</u>	<u>1,516</u>	<u>746,411</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on exchange rate of currency swap contracts	148,691	(24,139)	-	124,552
Others	-	209	-	209
	<u>148,691</u>	<u>(23,930)</u>	<u>-</u>	<u>124,761</u>
<b>Deferred tax assets</b>	<u>446,590</u>	<u>173,544</u>	<u>1,516</u>	<u>621,650</u>



CONSOLIDATED FINANCIAL STATEMENTS

	Balance as at February 28, 2017 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Balance as at February 28, 2018 Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	447,959	28,845	-	476,804
Non-accrual of interest income	39,585	(5,012)	-	34,573
Allowance for impairment of investment and asset	1,700	1,329	-	3,029
Provisions for employee benefits	26,590	6,731	(2,935)	30,386
Deferred revenue from customer loyalty programs	27,127	9,127	-	36,254
Others	1,029	13,206	-	14,235
	<u>543,990</u>	<u>54,226</u>	<u>(2,935)</u>	<u>595,281</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on exchange rate of currency swap contracts	147,056	1,635	-	148,691
Others	992	(992)	-	-
	<u>148,048</u>	<u>643</u>	<u>-</u>	<u>148,691</u>
<b>Deferred tax assets</b>	<u>395,942</u>	<u>53,583</u>	<u>(2,935)</u>	<u>446,590</u>

SEPARATE FINANCIAL STATEMENTS

	Balance as at February 28, 2018 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Balance as at February 28, 2019 Baht '000
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	471,392	89,936	-	561,328
Non-accrual of interest income	33,885	12,075	-	45,960
Allowance for impairment of investment and asset	3,029	8,983	-	12,012
Provisions for employee benefits	21,039	25,670	1,798	48,507
Deferred revenue from customer loyalty programs	34,464	9,887	-	44,351
Others	13,080	(634)	-	12,446
	<u>576,889</u>	<u>145,917</u>	<u>1,798</u>	<u>724,604</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on exchange rate of currency swap contracts	148,691	(24,139)	-	124,552
	<u>148,691</u>	<u>(24,139)</u>	<u>-</u>	<u>124,552</u>
<b>Deferred tax assets</b>	<u>428,198</u>	<u>170,056</u>	<u>1,798</u>	<u>600,052</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance	Items as	Items as	Balance
	as at	recognized in	recognized	as at
	February 28, 2017	profit or loss	in other comprehensive income	February 28, 2018
Baht '000	Baht '000	Baht '000	Baht '000	
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	442,354	29,038	-	471,392
Non-accrual of interest income	38,961	(5,076)	-	33,885
Allowance for impairment of investment and asset	1,700	1,329	-	3,029
Provisions for employee benefits	19,658	4,938	(3,557)	21,039
Deferred revenue from customer loyalty programs	26,588	7,876	-	34,464
Others	-	13,080	-	13,080
	<u>529,261</u>	<u>51,185</u>	<u>(3,557)</u>	<u>576,889</u>
<b>Deferred tax liabilities</b>				
Unrealized loss on exchange rate of currency swap contracts	147,056	1,635	-	148,691
	<u>147,056</u>	<u>1,635</u>	<u>-</u>	<u>148,691</u>
<b>Deferred tax assets</b>	<u>382,205</u>	<u>49,550</u>	<u>(3,557)</u>	<u>428,198</u>

#### 14. OTHER NON-CURRENT ASSETS

Other non-current assets as at February 28, 2019 and 2018, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Deposits	206,448	195,860	180,220	172,080
Total	<u>206,448</u>	<u>195,860</u>	<u>180,220</u>	<u>172,080</u>

#### 15. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term borrowings from financial institutions as at February 28, 2019 and 2018, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019		2018	
	Interest rate p.a. (%)	Baht '000	Interest rate p.a. (%)	Baht '000
Overdrafts in THB currency	1.95	640,163	-	-
Short-term borrowings in THB currency	1.85 - 2.30	4,050,000	1.60 - 1.67	2,820,000
Short-term borrowings in USD currency	3.24 - 3.78	1,141,518	2.14 - 2.44	384,312
Short-term borrowings in LAK currency	6.60 - 7.40	314,954	7.30 - 9.50	224,719
Short-term borrowings in MMK currency	11.70 - 12.50	953,568	11.70 - 12.50	523,368
Total		<u>7,100,203</u>		<u>3,952,399</u>

	SEPARATE FINANCIAL STATEMENTS			
	2019		2018	
	Interest rate p.a. (%)	Baht '000	Interest rate p.a. (%)	Baht '000
Overdrafts in THB currency	1.95	640,163	-	-
Short-term borrowings in THB currency	1.85 - 2.30	4,050,000	1.60 - 1.67	2,820,000
Total		4,690,163		2,820,000

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.

## 16. OTHER PAYABLES

Other payables as at February 28, 2019 and 2018, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Other payable - related companies (see Note 31.2.1)	169,271	53,058	221,192	208,042
Other payable - other companies	258,978	335,564	190,633	215,011
Deferred revenue from customer loyalty programs	224,208	173,645	221,756	172,321
Interest payable	483,674	542,953	478,403	583,418
Accrued expenses	365,867	404,897	368,071	338,854
Total	1,501,998	1,510,117	1,480,055	1,517,646

## 17. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

As at February 28, 2019 and 2018, a subsidiary of the Company has liabilities under finance lease agreements as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Minimum lease payment		Present value of minimum lease payment	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Within 1 year	925	6,255	911	5,961
Over 1 year to 5 years	-	5,004	-	4,923
	925	11,259	911	10,884
<u>Less</u> Deferred interest	(14)	(375)	-	-
	911	10,884	911	10,884

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

## 18. LONG-TERM BORROWINGS

As at February 28, 2019 and 2018, the Company entered into various long-term borrowings agreements in THB and foreign currencies as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
2019				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2019 - 2023	2.96 - 5.26	34,742.05	9,992,577
Borrowings in USD currency	2019 - 2023	2.26 - 3.38	608.49	19,272,103
Borrowings in THB currency	2019 - 2024	2.44 - 3.41	11,400.00	11,400,000
<u>Less</u> Borrowings issuance cost				<u>(45,816)</u>
				40,618,864
<u>Less</u> Current portion of long-term borrowings				<u>(6,071,921)</u>
Total long-term borrowings				<u>34,546,943</u>

CONSOLIDATED FINANCIAL STATEMENTS				
2018				
	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	13,908,305
Borrowings in USD currency	2018 - 2022	2.22 - 3.35	550.49	17,439,658
Borrowings in THB currency	2018 - 2022	2.44 - 3.20	9,500.00	9,500,000
<u>Less</u> Borrowings issuance cost				<u>(59,840)</u>
				40,788,123
<u>Less</u> Current portion of long-term borrowings				<u>(12,662,086)</u>
Total long-term borrowings				<u>28,126,037</u>

SEPARATE FINANCIAL STATEMENTS				
2019				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2019 - 2023	2.96 - 5.26	34,742.05	9,992,577
Borrowings in USD currency	2019 - 2023	2.26 - 3.38	589.49	18,652,421
Borrowings in THB currency	2019 - 2024	2.44 - 3.41	11,400.00	11,400,000
<u>Less</u> Borrowings issuance cost				<u>(45,816)</u>
				39,999,182
<u>Less</u> Current portion of long-term borrowings				<u>(5,974,076)</u>
Total long-term borrowings				<u>34,025,106</u>

SEPARATE FINANCIAL STATEMENTS				
2018				
	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	13,908,305
Borrowings in USD currency	2018 - 2022	2.22 - 3.35	531.49	16,815,561
Borrowings in THB currency	2018 - 2022	2.44 - 3.20	9,500.00	9,500,000
<u>Less</u> Borrowings issuance cost				<u>(59,840)</u>
				40,164,026
<u>Less</u> Current portion of long-term borrowings				<u>(12,662,086)</u>
Total long-term borrowings				<u>27,501,940</u>

In the consolidated and separate financial statements as at February 28, 2019 and 2018, 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 1,436.33 million and JPY 5,000 million or equivalent to Baht 1,482.73 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 31.2.1).

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

<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>			
<b>As at February 28, 2019</b>			
<b>Notional amount</b>	<b>Carrying amount</b>		
	<b>Within 1 year</b>	<b>1 - 5 years</b>	<b>Total</b>
<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
<b>Receivables per currency swap contracts</b>			
Cross Currency Swap Contracts			
JPY currency	5,197,000	-	107,338
USD currency	716,220	-	11,537
	<u>5,913,220</u>	<u>-</u>	<u>118,875</u>
<b>Payables per currency swap contracts</b>			
Cross Currency Swap Contracts			
JPY currency	5,111,250	(138,140)	(284,871)
USD currency	18,943,130	(277,386)	(741,080)
	<u>24,054,380</u>	<u>(415,526)</u>	<u>(1,025,951)</u>

<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>			
<b>As at February 28, 2018</b>			
<b>Notional amount</b>	<b>Carrying amount</b>		
	<b>Within 1 year</b>	<b>1 - 5 years</b>	<b>Total</b>
<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
<b>Receivables per currency swap contracts</b>			
Cross Currency Swap Contracts			
JPY currency	2,883,750	56,215	180,488
	<u>2,883,750</u>	<u>56,215</u>	<u>180,488</u>
<b>Payables per currency swap contracts</b>			
Cross Currency Swap Contracts			
JPY currency	11,804,722	(752,003)	(264,867)
USD currency	18,016,680	(361,075)	(840,044)
	<u>29,821,402</u>	<u>(1,113,078)</u>	<u>(1,104,911)</u>

## 19. LONG-TERM BORROWINGS UNDER SECURITIZATION PROJECT

As at February 28, 2019 and 2018, the Company recognized the cash received and the settlement by the Seller Loan Account of ATS Rabbit for the transferred rights in loans receivable under securitization (see Note 5.5) as long-term borrowings under securitization project in the separate financial statements in the amount of Baht 1,652.52 million and Baht 1,366.17 million, respectively.

## 20. LONG-TERM DEBENTURES

Long-term debentures represent unsubordinated and unsecured debentures as at February 28, 2019 and 2018, are as follows:

Issue date	Maturity date	No. of units	Currency	Par value per unit	Amount	Interest rate p.a. (%)	Term of interest payment	As at February 28, 2019 Baht '000	As at February 28, 2018 Baht '000
<b>Company</b>									
24/07/2013	29/07/2018	17	USD	1,000,000	17,000,000	USD-LIBOR 6M + 0.01	Semi-annual	-	537,855
29/11/2013	29/11/2018	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.05	Semi-annual	-	949,155
28/03/2014	28/03/2019	30	USD	1,000,000	30,000,000	USD-LIBOR 6M	Semi-annual	949,248	949,155
27/03/2015	27/03/2019	22	JPY	100,000,000	2,200,000,000	JPY-TIBOR 6M + 0.36	Semi-annual	632,768	653,809
23/02/2016	21/02/2019	200,000	THB	1,000	200,000,000	2.87	Semi-annual	-	200,000
25/03/2016	25/03/2020	70	USD	1,000,000	70,000,000	USD-LIBOR 6M + 0.65	Semi-annual	2,214,912	2,214,695
28/03/2016	27/03/2020	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.50	Semi-annual	474,624	474,578
22/08/2016	20/08/2021	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.85	Semi-annual	474,624	474,578
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	949,248	949,154
18/08/2017	18/08/2020	200,000	THB	1,000	200,000,000	2.50	Quarterly	200,000	200,000
14/09/2017	14/09/2020	300,000	THB	1,000	300,000,000	2.50	Semi-annual	300,000	300,000
21/09/2017	21/09/2020	100,000	THB	1,000	100,000,000	2.50	Semi-annual	100,000	100,000
15/12/2017	15/12/2020	2,000,000	THB	1,000	2,000,000,000	2.37	Semi-annual	2,000,000	2,000,000
15/12/2017	15/12/2022	1,000,000	THB	1,000	1,000,000,000	2.93	Semi-annual	1,000,000	1,000,000
15/11/2018	15/11/2020	2,000,000	THB	1,000	2,000,000,000	2.96	Semi-annual	2,000,000	-
15/11/2018	15/11/2021	800,000	THB	1,000	800,000,000	3.26	Semi-annual	800,000	-
								14,495,424	13,402,979
<u>Less</u> Debentures issuance cost								(29,886)	(50,376)
								14,465,538	13,352,603
<u>Less</u> Current portion of long-term debentures								(2,980,813)	(1,685,317)
<b>Total long-term debentures in separate financial statements</b>								<b>11,484,725</b>	<b>11,667,286</b>
<b>ATS Rabbit Special Purpose Vehicle Company Limited</b>									
29/01/2018	28/10/2025	1,240,570	THB	1,000	1,240,570,000	4.00	Monthly	-	1,240,570
29/09/2018	28/10/2025	1,473,082	THB	1,000	1,473,082,000	2.84	Monthly	1,473,082	-
<b>Total long-term debentures in consolidated financial statements</b>								<b>12,957,807</b>	<b>12,907,856</b>

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

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

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

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

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

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

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

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

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

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

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

On March 27, 2015, the Company issued and offered debentures amounting to JPY 2,200 million to a bank in Japan with interest rate of JPY-TIBOR 6 months plus 0.36% per annum, payable on a semi-annual basis, and will be due on March 27, 2019. Such debentures are guaranteed by the same bank.

On February 23, 2016, the Company issued and offered debentures amounting to Baht 200 million to a non-financial market mutual fund in Thailand with interest rate of 2.87% per annum, payable on a semi-annual basis, and were due on February 21, 2019.

On March 25, 2016, the Company issued and offered debentures amounting to USD 70 million to a bank in Japan with interest rate of USD - LIBOR 6 months plus 0.65% per annum, payable on a semi-annual basis, and will be due on March 25, 2020. Such debentures are guaranteed by the same bank.

On March 28, 2016, the Company issued and offered debentures amounting to USD 15 million to a bank in Japan with interest rate of USD - LIBOR 6 months plus 0.50% per annum, payable on a semi-annual basis, and will be due on March 27, 2020. Such debentures are guaranteed by the same bank.

- (5) On June 17, 2016, the Company's Annual General Meeting of shareholders of 2016 had the resolution for the issuance and offering of debentures. An issuing amount of the debentures is not to exceed Baht 8,000 million. The currency, tenor, interest rate and other conditions will be considered and approved by the Board of Directors' Meeting later when the Company is ready for the issuance and offering of debentures.

On August 22, 2016, the Company issued and offered debentures amounting to USD 15 million to a bank in Japan with interest rate of USD - LIBOR 6 months plus 0.85% per annum, payable on a semi-annual basis, and will be due on August 20, 2021. Such debentures are guaranteed by the same bank.

On August 24, 2016, the Company issued and offered debentures amounting to Baht 400 million to a non-financial market mutual fund institution investors in Thailand with interest rate of 2.50% per annum, payable on a quarterly basis, and will be due on July 30, 2019.

On December 21, 2016, the Company issued and offered debentures amounting to Baht 1,000 million to a financial institution and high net worth investors in Thailand with interest rate of 2.73% per annum, payable on a quarterly basis, and will be due on December 21, 2019.



On December 21, 2016, the Company issued and offered debentures amounting to Baht 1,000 million to public investors in Thailand with interest rate of 3.48% per annum, payable on a quarterly basis, and will be due on December 21, 2021.

On December 30, 2016, the Company issued and offered debentures amounting to USD 30 million to a bank in Japan with interest rate of USD - LIBOR 6 months plus 0.65% per annum, payable on a semi-annual basis, and will be due on December 30, 2021. Such debentures are guaranteed by the same bank.

On August 18, 2017, the Company issued and offered debentures amounting to Baht 200 million to a mutual fund and a pension fund in Thailand with interest rate of 2.50% per annum, payable on a quarterly basis, and will be due on August 18, 2020.

On September 14, 2017, the Company issued and offered debentures amounting to Baht 300 million to a mutual fund and a pension fund in Thailand with interest rate of 2.50% per annum, payable on a semi-annual basis, and will be due on September 14, 2020.

On September 21, 2017, the Company issued and offered debentures amounting to Baht 100 million to a mutual fund in Thailand with interest rate of 2.50% per annum, payable on a semi-annual basis, and will be due on September 21, 2020.

On December 15, 2017, the Company issued and offered debentures amounting to Baht 2,000 million to institutional and high net worth investors in Thailand with interest rate of 2.37% per annum, payable on a semi-annual basis, and will be due on December 15, 2020.

On December 15, 2017, the Company issued and offered debentures amounting to Baht 1,000 million to institutional and high net worth investors in Thailand with interest rate of 2.93% per annum, payable on a semi-annual basis, and will be due on December 15, 2022.

- (6) On June 22, 2018, the Company's Annual General Meeting of shareholders of 2018 had the resolution for the issuance and offering of debentures. An issuing amount of the debentures is not to exceed Baht 10,000 million. The currency, tenor, interest rate and other conditions will be considered and approved by the Board of Directors' Meeting later when the Company is ready for the issuance and offering of debentures.

On November 15, 2018, the Company issued and offered debentures amounting to Baht 2,000 million to institutional and high net worth investors in Thailand with interest rate of 2.96% per annum, payable on a semi-annual basis, and will be due on November 15, 2020.

On November 15, 2018, the Company issued and offered debentures amounting to Baht 800 million to institutional and high net worth investors in Thailand with interest rate of 3.26% per annum, payable on a semi-annual basis, and will be due on November 15, 2021.

- (7) A subsidiary has offered the debentures to no more than 10 specific investors during any 4-month period which such offering was approved by the SEC on October 2, 2015.

During the years ended February 28, 2019 and 2018, the subsidiary issued and offered the long-term refinanced debentures which are unsubordinated and unsecured of Baht 1,473.08 million and Baht 1,240.57 million, respectively, for partial settlement of the transfer of rights in future receivables and additional receivables in accordance with conditions in the agreements.

Such debentures are assets-backed debentures under the Securitization Law with fixed interest rate at 4% per annum for the 3-year period after the first issuance date, and thereafter with a fixed interest rate equal to the corporate bond yield per annum as prescribed in the conditions.

Cash flows from a pool of loans receivable will be used to make payments for the debentures. Interest on the debentures will be payable monthly throughout their lives commencing on December 18, 2015.

Such debentures will be initially redeemed in 2023 and matured on October 28, 2025 with conditions to redeem before the maturity.

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2019				
	Notional amount Baht '000	Carrying amount		Total Baht '000
		Within 1 year Baht '000	1 - 5 years Baht '000	
<b>Receivables per currency swap contracts</b>				
Cross Currency Swap Contracts				
JPY currency	596,860	35,908	-	35,908
	<u>596,860</u>	<u>35,908</u>	<u>-</u>	<u>35,908</u>
<b>Payables per currency swap contracts</b>				
Cross Currency Swap Contracts				
USD currency	5,605,900	(25,752)	(517,492)	(543,244)
	<u>5,605,900</u>	<u>(25,752)</u>	<u>(517,492)</u>	<u>(543,244)</u>
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2018				
	Notional amount Baht '000	Carrying amount		Total Baht '000
		Within 1 year Baht '000	1 - 5 years Baht '000	
<b>Receivables per currency swap contracts</b>				
Cross Currency Swap Contracts				
JPY currency	596,860	-	56,949	56,949
USD currency	527,850	10,005	-	10,005
	<u>1,124,710</u>	<u>10,005</u>	<u>56,949</u>	<u>66,954</u>
<b>Payables per currency swap contracts</b>				
Cross Currency Swap Contracts				
USD currency	6,565,900	(10,845)	(543,740)	(554,585)
	<u>6,565,900</u>	<u>(10,845)</u>	<u>(543,740)</u>	<u>(554,585)</u>

## 21. PROVISIONS FOR EMPLOYEE BENEFITS

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

For the years ended February 28, 2019 and 2018, amounts recognized in the statements of profit or loss in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Past service cost				
- For employees transferred from a subsidiary	9,140	-	9,140	-
- From plan amendment	62,960	-	56,630	-
Current service cost	36,802	29,964	31,753	21,555
Interest cost	4,702	4,286	4,165	3,135
Loss on settlement	374	554	374	-
Total	<u>113,978</u>	<u>34,804</u>	<u>102,062</u>	<u>24,690</u>

For the years ended February 28, 2019 and 2018, amounts recognized in other comprehensive income in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
(Gain) loss on remeasurements of defined benefit plans				
- From financial assumptions changes	(3,790)	8,525	(3,510)	4,647
- From demographic assumptions changes	11,085	3,294	11,179	5,958
- From experience adjustments	283	(26,495)	1,322	(28,393)
Total	<u>7,578</u>	<u>(14,676)</u>	<u>8,991</u>	<u>(17,788)</u>

Movements in the present value of the provisions for post-employment benefits for the years ended February 28, 2019 and 2018 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	151,930	132,950	105,193	98,291
Past service cost				
- For employees transferred from a subsidiary	9,140	-	9,140	-
- From plan amendment	62,960	-	56,630	-
Current service cost	36,802	29,964	31,753	21,555
Interest cost	4,702	4,286	4,165	3,135
Loss on settlement	374	554	374	-
(Gain) loss on remeasurements of defined benefit plans	7,578	(14,676)	8,991	(17,788)
Benefits transferred	-	-	28,316	-
Benefits paid	(2,165)	(1,148)	(2,028)	-
Ending balance	<u>271,321</u>	<u>151,930</u>	<u>242,534</u>	<u>105,193</u>

The significant actuarial assumptions used to calculate the provisions under the defined benefit plans as at February 28, 2019 and 2018, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2019	2018
	% per annum	% per annum
Financial assumptions		
Discount rate	2.72 - 3.01	2.54 - 2.96
Expected rate of salary increase	5.0 - 7.0	5.0 - 7.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 31.0	0.0 - 33.0
Subject to range of age of employees		Subject to range of age of employees
Daily staff	0.0 - 52.0	0.0 - 51.0
Subject to range of age of employees		Subject to range of age of employees
Temporary staff	0.0 - 43.0	0.0 - 61.0
Subject to range of age of employees		Subject to range of age of employees

	<b>SEPARATE FINANCIAL STATEMENTS</b>	
	<b>2019</b>	<b>2018</b>
	<b>% per annum</b>	<b>% per annum</b>
<b>Financial assumptions</b>		
Discount rate	3.01	2.89
Expected rate of salary increase	6.0	6.0
<b>Demographic assumptions</b>		
<b>Turnover rate</b>		
Monthly staff	0.0 - 19.0	0.0 - 20.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 52.0	0.0 - 51.0
	Subject to range of age of employees	Subject to range of age of employees
Temporary staff	-	0.0 - 61.0
	Subject to range of age of employees	Subject to range of age of employees

Sensitivity analysis on significant actuarial assumptions represents impact of change in the significant actuarial assumptions on present value of the provisions for post-employment benefits as at February 28, 2019 and 2018, as follows:

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
<b>Financial assumptions</b>				
Discount rate				
- 1% increase	(38,675)	(21,170)	(35,204)	(14,550)
- 1% decrease	46,808	25,519	42,662	17,509
Expected rate of salary increase				
- 1% increase	41,918	22,729	38,173	15,200
- 1% decrease	(35,349)	(19,226)	(32,158)	(12,894)
<b>Demographic assumptions</b>				
<b>Turnover rate</b>				
- 1% increase	(41,663)	(22,844)	(37,877)	(15,628)
- 1% decrease	22,911	13,279	20,470	7,944

Maturity analysis of the benefit payments of the provisions for post-employment benefits as at February 28, 2019 and 2018, are as follows:

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>	<b>Baht '000</b>
Within 1 year	122	-	-	-
Over 1 to 5 years	15,179	14,381	12,434	9,713
Over 5 years	256,020	137,549	230,100	95,480
<b>Total</b>	<b>271,321</b>	<b>151,930</b>	<b>242,534</b>	<b>105,193</b>

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. The management of the Group and the Company judgmentally considered that the plan amendment has occurred and recognized past service cost as an expense when the National Legislative Assembly passed a resolution approving the draft of this Labor Protection Act. The Group and the Company have recorded the effect of such plan amendment and already recognized past service cost as an expense in the consolidated and separate statements of profit or loss for the year ended February 28, 2019 in the amount of Baht 62.96 million and Baht 56.63 million, respectively. Such Labor Protection Act has been announced in the Royal Gazette on April 5, 2019 (see Note 39.2).

## **22. SHAREHOLDERS' EQUITY**

- 22.1 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.
- 22.2 On October 6, 2017, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the year ended February 28, 2018 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.
- 22.3 On June 22, 2018, the Annual General Meeting of shareholders had the resolutions to approve the declaration of final dividends for the year ended February 28, 2018 at the rate of Baht 2.25 per share, totaling Baht 562.50 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 562.50 million on July 20, 2018 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 November 6, 2017.

- 22.4 On October 5, 2018, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the year ended February 28, 2019 at the rate of Baht 2.35 per share to shareholders, totaling Baht 587.50 million. The aforementioned shareholders included 1,100 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 587.50 million on November 1, 2018.
- 22.5 Under the Securitization project, the subsidiary has to pay dividend to its shareholders from all remaining amounts after deducting the required accumulated reserves and payment of all fees and expenses. The subsidiary appropriates 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.

ATS Rabbit Special Purpose Vehicle Company Limited's 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 the 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.

### **23. LEGAL RESERVE**

Pursuant to the Public Limited Companies Act. B.E. 2535 (1992), the Company must allocate to a reserve fund from the annual net profit, not less than 5% of the annual net profit deducted by the total accumulated loss brought forward (if any), until the reserve fund reaches an amount of not less than 10% of the registered capital.

As at February 28, 2019 and 2018, the Company's legal reserve equals to 10% of the registered share capital.

### **24. CAPITAL MANAGEMENT**

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

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

The Company has been granted the license to operate as a non-financial institution that provides personal loans from the Minister of Finance, of which the Company must have authorized share capital of at least Baht 50 million.

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

## 25. OTHER COMPONENTS OF SHAREHOLDERS' EQUITY

Other components of shareholders' equity as at February 28, 2019 and 2018, are as follows:

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
	Baht '000	Baht '000
<b>Exchange differences on translating financial statements of foreign operations</b>		
Beginning balance	(89,941)	(31,975)
Decrease during the year	(33,137)	(57,966)
Ending balance	<u>(123,078)</u>	<u>(89,941)</u>

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

## 26. REVENUES RELATING TO SECURITIZATION TRANSACTION

For the years ended February 28, 2019 and 2018, the details of revenues from securitization transaction incurred from sales of loans receivable to ATS Rabbit Special Purpose Vehicle Company Limited are included in Loan Income for presentation as follows:

	SEPARATE	
	FINANCIAL STATEMENTS	
	2019	2018
	Baht '000	Baht '000
Loan income (see Note 31.2.2)		
Interest income from subordinated lendings	9,361	6,546
Revenue from seller loan in Special Purpose Vehicle	10,826	10,026
Dividend from investment in Special Purpose Vehicle	37,705	28,079
Collection servicing income	81,112	56,621
Total	<u>139,004</u>	<u>101,272</u>

## 27. DIRECTORS AND MANAGERMENTS' REMUNERATION

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



For the years ended February 28, 2019 and 2018, directors and managements' remuneration are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Directors' remuneration	35,954	30,472	24,993	19,200
Managements' remuneration	138,763	138,042	83,078	78,701
Post-employment benefits	7,770	3,780	7,095	3,044
Total	<u>182,487</u>	<u>172,294</u>	<u>115,166</u>	<u>100,945</u>

For the years ended February 28, 2019 and 2018, 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 22, 2018 and June 28, 2017, respectively.

## 28. PROVIDENT FUND

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

For the years ended February 28, 2019 and 2018, the Company contributed to the provident fund and recorded as expenses, as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Contributory provident fund	<u>51,297</u>	<u>40,428</u>	<u>41,940</u>	<u>25,015</u>

## 29. EXPENSES BY NATURE

Net profits for the years ended February 28, 2019 and 2018, have been derived after deducting the following significant expenses:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Staff costs	2,892,092	2,539,166	2,159,308	1,266,670
Marketing expenses	1,690,400	1,551,358	1,602,215	1,491,222
Equipment expenses	631,440	639,586	560,698	596,773
Depreciation and amortization	553,658	573,328	446,563	420,646
Communication expenses	358,460	357,761	312,337	276,155
Premises' expenses	786,462	757,503	667,603	594,118
Outsource collection expenses	356,550	369,789	760,989	1,697,032
Special business tax and duty stamp	549,148	498,738	533,506	487,151
Printing material expenses	224,740	228,825	214,259	218,381
Transportation expenses	190,700	180,435	131,119	125,761
Fees and commissions	156,646	176,187	130,444	159,252
Other expenses	130,583	108,097	84,768	59,347
Directors and managements' remuneration	182,487	172,294	115,166	100,945
Bad debts and doubtful accounts	5,284,541	4,678,530	5,087,827	4,528,435
Loss on impairment of investment and asset	44,913	6,645	44,913	6,645
Loss on sale and write-off of leasehold improvement and equipment and intangible assets	5,528	6,834	3,946	5,942
Finance costs	2,174,724	2,104,483	2,358,075	2,256,057
Total Expenses	<u>16,213,072</u>	<u>14,949,559</u>	<u>15,213,736</u>	<u>14,290,532</u>

## 30. CORPORATE INCOME TAX

The Company and its local subsidiaries used tax rate of 20% for corporate income tax and deferred tax calculations for the years ended February 28, 2019 and 2018. The foreign subsidiaries used 20% - 25% for corporate income tax and deferred tax calculations for the years ended February 28, 2019 and 2018.

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 years ended February 28, 2019 and 2018, income tax expense consists of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the years	1,041,163	773,534	947,391	687,237
Deferred income tax revenue	(173,544)	(53,583)	(170,056)	(49,550)
Income tax expense per statements of profit or loss	<u>867,619</u>	<u>719,951</u>	<u>777,335</u>	<u>637,687</u>

Reconciliations of effective tax rates for the years ended February 28, 2019 and 2018, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Accounting profit before income tax	4,434,243	3,714,354	4,215,163	3,371,603
Permanent differences	(96,204)	(114,492)	(90,402)	(97,089)
Temporary differences	865,402	270,275	850,280	247,754
Income that is exempt from taxable	-	-	(238,088)	(86,079)
Taxable profit	<u>5,203,441</u>	<u>3,870,137</u>	<u>4,736,953</u>	<u>3,436,189</u>
Normal income tax rate (%)	20.00 - 25.00	20.00 - 25.00	20.00	20.00
Income tax for the period currently payable	1,041,163	773,534	947,391	687,237
Deferred tax from temporary differences	(173,544)	(53,583)	(170,056)	(49,550)
Income tax expense per statements of profit or loss	<u>867,619</u>	<u>719,951</u>	<u>777,335</u>	<u>637,687</u>
Effective tax rate (%)	19.57	19.38	18.44	18.91

### 31. 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:

31.1 Investments in an associate and subsidiaries (see Note 8.2) as at February 28, 2019 and 2018, are as follows:

Related parties	Relationship	Ownership	SEPARATE FINANCIAL STATEMENTS				
			2019		2018		
			Paid-up capital	Cost	Ownership	Paid-up capital	Cost
	%	Baht' 000	Baht '000	%	Baht' 000	Baht '000	
<b>Investments in an associate and subsidiaries</b>							
<b>Investment in an associate</b>							
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>
<b>Investments in subsidiaries</b>							
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	50.00	643,720.4	323,580.0	80.00	408,619.4	323,580.0
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>1,028,011.1</u>
<b>Total investments in an associate and subsidiaries</b>				<u><u>1,044,830.4</u></u>			<u><u>1,044,830.4</u></u>

## 31.2 Business transactions with related parties

31.2.1 Balances with related parties as at February 28, 2019 and 2018, are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019 Baht '000	2018 Baht '000	2019 Baht '000	2018 Baht '000
<b>Other receivables</b> (see Note 6)					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	59,931	5,132
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	2,135	4,840
AEON Financial Service Co., Ltd.	Major shareholder	1,081	677	187	83
AEON Credit Service Company Limited	Common ultimate holding company	-	33	-	33
ACS Capital Corporation Limited	Shareholder and one common director	887	134	17	78
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	1,092	866
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	44,520	35,688
AEON Microfinance (Myanmar) Company Limited	Subsidiary	-	-	12	9
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	8	-
ACS Trading Vietnam Company Limited	Associate	30	6	10	6
AEON (Cambodia) Company Limited	Common ultimate holding company	72	-	-	-
AEON Mall (Cambodia) Company Limited	Common ultimate holding company	1,791	-	-	-
		<u>3,861</u>	<u>850</u>	<u>107,912</u>	<u>46,735</u>
<b>Seller loan in Special Purpose Vehicle for securitization</b> (see Note 9)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	199,920	39,087
<b>Subordinated lendings</b> (see Note 10.1)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	84,074	71,157
<b>Long-term borrowings</b> (see Note 18)					
AEON Bank Ltd.	Common ultimate holding company	1,436,331	1,482,730	1,436,331	1,482,730
<b>Trade payables</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	610	135,904
<b>Other payables</b> (see Note 16)					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	11,692	3,270
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	68,788	110,133
AEON (Thailand) Company Limited	Shareholder and two common directors	1,434	423	1,434	423
AEON Financial Service Co., Ltd.	Major shareholder	154,882	39,895	62,680	38,034
AEON Credit Service Company Limited	Common ultimate holding company	7,024	9,006	3,387	2,542
AEON Credit Service Systems (Philippines) Inc.	Holding shares	244	821	189	345
AEON Bank Ltd.	Common ultimate holding company	1,864	1,926	1,271	1,278
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	3,630	394	-	-
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	71,558	52,017
AEON Credit Service (Philippines) Inc.	Common ultimate holding company	-	593	-	-
AEON ASIA SDN. BHD.	Common ultimate holding company	193	-	193	-
		<u>169,271</u>	<u>53,058</u>	<u>221,192</u>	<u>208,042</u>

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019 Baht '000	2018 Baht '000	2019 Baht '000	2018 Baht '000
<b>Long-term borrowing under securitization project</b> (see Note 19)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,652,515	1,366,167
<b>Deposit Received</b>					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	5,266	14,264
<b>Deferred Revenue</b>					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	27,689	101
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	-	929
		<u>-</u>	<u>-</u>	<u>27,689</u>	<u>1,030</u>

31.2.2 Transactions with related parties for the years ended February 28, 2019 and 2018, are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019 Baht '000	2018 Baht '000	2019 Baht '000	2018 Baht '000
<b>Sale promotion income</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	5,842	9,246
<b>Credit card income</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	344,070	359,848
<b>Revenue relating to securitization transaction</b> (including in credit card income and loan income) (see Note 26)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	139,004	101,272
<b>Other income</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	52,627	57,138
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	3,854	3,551
ACS Capital Corporation Limited	Shareholder and one common director	3,815	12,000	3,200	12,000
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	-	1,995
AEON Bank Ltd.	Common ultimate holding company	-	430	-	-
AEON Microfinance (Myanmar) Company Limited	Subsidiary	-	-	-	2,251
AEON Financial Service Co., Ltd.	Major shareholder	-	57	-	-
		<u>3,815</u>	<u>12,487</u>	<u>59,681</u>	<u>76,935</u>
<b>Collection income</b>					
ACS Capital Corporation Limited	Shareholder and one common director	3,631	-	-	-
<b>Operating and administrative expenses</b>					
<b>Collection service fee</b>					
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	416,457	1,333,969
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	10,165	9,810
		<u>-</u>	<u>-</u>	<u>426,622</u>	<u>1,343,779</u>

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
		Baht '000	Baht '000	Baht '000	Baht '000
<b>Finance costs</b>					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	391,178	280,394
AEON Bank Ltd.	Common ultimate holding company	11,227	11,256	11,227	11,256
AEON Financial Service Co., Ltd.	Major shareholder	1,483	-	-	-
		<u>12,710</u>	<u>11,256</u>	<u>402,405</u>	<u>291,650</u>
<b>Others</b>					
AEON Financial Service Co., Ltd.	Major shareholder	98,912	96,167	86,221	84,108
AEON Credit Service Company Limited	Common ultimate holding company	45,765	46,870	19,010	18,485
AEON Bank Ltd.	Common ultimate holding company	2,557	2,243	2,557	1,767
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	21,491	19,812
AEON (Thailand) Company Limited	Holding shares and two common directors	16,106	15,700	16,106	15,700
ACS Capital Corporation Limited	Shareholder and one common director	-	6,634	-	6,009
AEON Credit Service Systems (Philippines) Inc.	Holding shares	7,402	11,913	4,462	8,706
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	9,621	4,811
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	2,387	3,002	-	-
		<u>173,129</u>	<u>182,529</u>	<u>159,468</u>	<u>159,398</u>
<b>Dividend income</b>					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	75,000	58,000
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	95,016	-
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	30,368	-
		<u>-</u>	<u>-</u>	<u>200,384</u>	<u>58,000</u>
<b>Dividend paid</b>					
AEON Financial Service Co., Ltd.	Major shareholder	403,880	302,910	403,880	302,910
ACS Capital Corporation Limited	Shareholder and one common director	220,800	165,600	220,800	165,600
AEON Holding (Thailand) Limited	Common ultimate holding company	101,200	-	101,200	-
		<u>725,880</u>	<u>468,510</u>	<u>725,880</u>	<u>468,510</u>

- Other income for the years ended February 28, 2019 and 2018 include the computer fee charged to ACS Capital Corporation Limited, at the rates of Baht 1,000,000 per month from March 2017 to March 2018 and Baht 200,000 per month from April 2018 onwards, and charged to AEON Insurance Service (Thailand) Co., Ltd., and ACS Servicing (Thailand) Co., Ltd., at the rate of 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.
- On March 1, 2018, the Company entered into the Sales and Purchase of Assets and Transfer of Employees Agreement with ACS Servicing (Thailand) Co., Ltd., which is a subsidiary of the Company. According to the agreement, the Company purchased and accepted the transfer of assets and existing employees as at February 28, 2018, as specified in the agreement, at market value of transferred assets net of liabilities relating to employees which were transferred from the subsidiary.

### 32. LONG-TERM OPERATING LEASE AND SERVICE AGREEMENTS

As at February 28, 2019 and 2018, the Company has long-term operating lease and service agreements with third parties as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Rental payments			
	2019		2018	
	Within 1 year	Over 1 to 5 years	Within 1 year	Over 1 to 5 years
	Baht '000	Baht '000	Baht '000	Baht '000
Building	343,091	277,030	389,765	263,733
Office equipment	54,414	47,324	99,945	77,357
Vehicle	51,000	27,987	38,942	35,997

	SEPARATE FINANCIAL STATEMENTS			
	Rental payments			
	2019		2018	
	Within 1 year	Over 1 to 5 years	Within 1 year	Over 1 to 5 years
	Baht '000	Baht '000	Baht '000	Baht '000
Building	308,763	250,563	305,167	208,184
Office equipment	53,994	46,778	99,092	76,284
Vehicle	35,407	24,937	27,592	31,852

### 33. 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:

#### 33.1 Operating result classified by business for the years ended February 28, 2019 and 2018, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
2019					
	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	18,677,559	878,438	1,085,704	-	20,641,701
Inter - segment revenues	612,415	-	510,709	(1,123,124)	-
	<u>19,289,974</u>	<u>878,438</u>	<u>1,596,413</u>	<u>(1,123,124)</u>	<u>20,641,701</u>
Expenses					
Operating and administrative expenses	7,606,532	521,998	1,326,228	(933,879)	8,520,879
Directors and managements' remuneration	115,166	39,792	27,529	-	182,487
Bad debts and doubtful accounts (reversal)	5,220,656	64,488	(603)	-	5,284,541
Loss on impairment of asset	44,913	-	-	-	44,913
(Gain) loss on sale and write-off of leasehold improvement and equipment and intangible assets	3,946	168	(5,528)	6,942	5,528
Finance costs	2,027,042	147,320	362	-	2,174,724
Total expenses	<u>15,018,255</u>	<u>773,766</u>	<u>1,347,988</u>	<u>(926,937)</u>	<u>16,213,072</u>
Share of profit from investment in an associate	-	-	-	5,614	5,614
Profit before income tax	4,271,719	104,672	248,425	(190,573)	4,434,243
Income tax expense	796,188	23,617	47,814	-	867,619
Net profit for the year	<u>3,475,531</u>	<u>81,055</u>	<u>200,611</u>	<u>(190,573)</u>	<u>3,566,624</u>



CONSOLIDATED FINANCIAL STATEMENTS					
2018					
	Retail finance services		Other business	Elimination	Total
	Domestic Baht '000	Foreign Baht '000	Domestic Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	17,068,874	587,143	1,006,952	-	18,662,969
Inter - segment revenues	492,028	-	1,333,969	(1,825,997)	-
	<u>17,560,902</u>	<u>587,143</u>	<u>2,340,921</u>	<u>(1,825,997)</u>	<u>18,662,969</u>
Expenses					
Operating and administrative expenses	7,394,874	388,741	1,965,035	(1,767,877)	7,980,773
Directors and managements' remuneration	100,945	44,633	26,716	-	172,294
Bad debts and doubtful accounts	4,618,295	59,299	936	-	4,678,530
Loss on impairment of investment	6,645	-	-	-	6,645
(Gain) loss on sale and write-off of leasehold improvement and equipment and intangible assets	5,941	(3)	889	7	6,834
Finance costs	2,020,491	83,163	1,979	(1,150)	2,104,483
Total expenses	<u>14,147,191</u>	<u>575,833</u>	<u>1,995,555</u>	<u>(1,769,020)</u>	<u>14,949,559</u>
Share of profit from investment in an associate	-	-	-	944	944
Profit before income tax	3,413,711	11,310	345,366	(56,033)	3,714,354
Income tax expense	651,727	4,175	64,049	-	719,951
Net profit for the year	<u>2,761,984</u>	<u>7,135</u>	<u>281,317</u>	<u>(56,033)</u>	<u>2,994,403</u>

33.2 Financial position classified by business as at February 28, 2019 and 2018, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
2019					
	Retail finance services		Other business	Elimination	Total
	Domestic Baht '000	Foreign Baht '000	Domestic Baht '000	Baht '000	Baht '000
Trade and other receivables	76,442,062	3,651,073	320,345	(143,273)	80,270,207
Leasehold improvement and equipment and intangible assets	1,216,854	203,495	74,045	(7,972)	1,486,422
Other assets	5,039,686	222,593	1,053,450	(950,821)	5,364,908
Total assets	<u>82,698,602</u>	<u>4,077,161</u>	<u>1,447,840</u>	<u>(1,102,066)</u>	<u>87,121,537</u>
Total liabilities	<u>65,240,302</u>	<u>3,199,934</u>	<u>387,537</u>	<u>(94,599)</u>	<u>68,733,174</u>

CONSOLIDATED FINANCIAL STATEMENTS					
2018					
	Retail finance services		Other business	Elimination	Total
	Domestic Baht '000	Foreign Baht '000	Domestic Baht '000	Baht '000	Baht '000
Trade and other receivables	71,756,031	2,168,305	494,235	(293,331)	74,125,240
Leasehold improvement and equipment and intangible assets	1,039,084	171,940	219,035	(2,060)	1,427,999
Other assets	5,317,527	157,395	778,232	(1,034,993)	5,218,161
Total assets	<u>78,112,642</u>	<u>2,497,640</u>	<u>1,491,502</u>	<u>(1,330,384)</u>	<u>80,771,400</u>
Total liabilities	<u>62,934,982</u>	<u>1,859,160</u>	<u>462,925</u>	<u>(307,468)</u>	<u>64,949,599</u>

### **34. DISCLOSURE OF INFORMATION RELATING TO FINANCIAL INSTRUMENTS**

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

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

#### **34.1 Accounting policies**

Details of significant accounting policies are disclosed in Note 3.

#### **34.2 Credit risk**

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

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

#### **34.3 Interest rate risk**

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

The Company did not anticipate any interest rate fluctuation risk which may have a material effect on the result of operations as all of the loans carrying floating interest rates have been hedged.

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

#### **34.4 Foreign exchange risk**

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

In addition, in order to manage risk from fluctuation in currency and interest rate, the Company has entered into various cross currency swap contracts to hedge its long-term debts as disclosed in Note 18 and Note 20.

## 34.5 Fair value measurements

34.5.1 Cash and cash equivalents, trade and other current receivables, short-term borrowings from financial institutions and trade and other current payables; the carrying values of outstanding balances approximate their fair values due to relatively short period to maturity.

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

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

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

The transactions disclosed in the following table are considered that the carrying amounts of financial liabilities recognized in the consolidated and separate financial statements are different from their fair values.

	Carrying amount	Fair value	Fair value hierarchy
	Baht '000	Baht '000	
<b>As at February 28, 2019</b>			
<b>Consolidated financial statements</b>			
<b>Financial liabilities</b>			
Long-term borrowings bearing fixed interest rate	8,819,673	8,863,671	Level 2
Long-term borrowings bearing floating interest rate	31,799,191	31,832,979	Level 2
Long-term debentures bearing fixed interest rate	8,790,951	8,809,307	Level 2
Long-term debentures bearing floating interest rate	7,147,669	7,168,506	Level 2
<b>Separate financial statements</b>			
<b>Financial liabilities</b>			
Long-term borrowings bearing fixed interest rate	8,199,992	8,243,990	Level 2
Long-term borrowings bearing floating interest rate	31,799,190	31,832,979	Level 2
Long-term debentures bearing fixed interest rate	8,790,951	8,809,307	Level 2
Long-term debentures bearing floating interest rate	5,674,587	5,695,424	Level 2
<b>As at February 28, 2018</b>			
<b>Consolidated financial statements</b>			
<b>Financial liabilities</b>			
Long-term borrowings bearing fixed interest rate	7,744,266	7,824,631	Level 2
Long-term borrowings bearing floating interest rate	33,043,857	33,089,343	Level 2
Long-term debentures bearing fixed interest rate	7,432,106	7,498,947	Level 2
Long-term debentures bearing floating interest rate	7,161,067	7,202,979	Level 2
<b>Separate financial statements</b>			
<b>Financial liabilities</b>			
Long-term borrowings bearing fixed interest rate	7,120,169	7,200,535	Level 2
Long-term borrowings bearing floating interest rate	33,043,857	33,089,343	Level 2
Long-term debentures bearing fixed interest rate	6,191,536	6,238,756	Level 2
Long-term debentures bearing floating interest rate	7,161,067	7,202,979	Level 2

34.5.3 Estimated fair values of receivables and/or payables per currency and interest rate swap contracts are estimated based on the discounted cash flows. Future cash flows are estimated based on relevant market price of hedged position, i.e. interest rate, foreign exchange rate, discounted at a rate that reflects the credit risk of various counterparties. Fair values of receivables and/or payables per currency and interest rate swap contracts are determined at Level 2.

The carrying amount and estimated fair values of receivables and/or payables per cross currency swap contracts are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2019				
	Within 1 year	Carrying amount Over 1 - 5 years	Total	Fair value Assets (Liabilities)
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Receivables per currency swap contracts</b>				
Cross Currency Swap Contracts	35,908	118,875	154,783	(76,061)
<b>Payables per currency swap contracts</b>	(441,278)	(1,543,443)	(1,984,721)	(2,545,252)
Cross Currency Swap Contracts				

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2018				
	Within 1 year	Carrying amount Over 1 - 5 years	Total	Fair value Assets (Liabilities)
	Baht '000	Baht '000	Baht '000	Baht '000
<b>Receivables per currency swap contracts</b>				
Cross Currency Swap Contracts	66,220	237,437	303,657	143,438
<b>Payables per currency swap contracts</b>	(1,123,923)	(1,648,651)	(2,772,574)	(3,838,540)
Cross Currency Swap Contracts				

### 35. CREDIT FACILITIES AND LETTERS OF GUARANTEE

- 35.1 As at February 28, 2019 and 2018, the Company has unused committed and unsecured revolving credit facility agreements with some financial institutions totaling Baht 3,000 million.
- 35.2 As at February 28, 2019 and 2018, the Company has unused and unsecured overdraft facilities with various banks totaling Baht 2,440 million and Baht 3,060 million, respectively.
- 35.3 As at February 28, 2019 and 2018, the Company has a bank's letter of guarantee issued to suppliers for guarantee payment of Baht 0.50 million. Such letter of guarantee is unsecured.
- 35.4 As at February 28, 2019 and 2018, two subsidiaries have letters of guarantee issued by banks in the amounts of Baht 5.83 million and Baht 6.78 million, respectively.
- 35.5 As at February 28, 2018, the Company has outstanding standby letters of credit issued by two banks of not exceeding USD 3.41 million. In addition, the Company has issued letters of guarantee for guarantee repayment of a subsidiary's loans of not exceeding USD 6.61 million as at February 28, 2018 (as at February 28, 2019 : Nil).

### **36. SIGNIFICANT AGREEMENTS RELATING TO SECURITIZATION TRANSACTION**

- 36.1 On February 2, 2015, the Company entered into a memorandum of understanding regarding the cooperation between the Company and BTS Group Holdings Public Company Limited (“BTSG”) and Bangkok Smartcard System Company Limited (“BSS”) (a subsidiary of BTSG), for the joint issue of member card under the Co-Branded Rabbit Program and setting up a special purpose vehicle for the securitization project, the purpose of securitization through the establishment of a special purpose vehicle in a form of cooperation framework between the Company and BSS Holdings Company Limited (“BSS Holdings”) (a subsidiary of BTSG), in accordance with the resolution passed at the meeting of the Board of Directors No. 10/2014, held on December 24, 2014.
- 36.2 The Company entered into the Receivables Sale and Purchase Agreement with ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit) (the subsidiary), on October 22, 2015. Such agreement set out the procedures and terms in respect of the sale and purchase of the Initial Receivables on the Closing Date, for Future Receivables on each Purchase Date and for Additional Receivables on each Monthly Purchase Date including the rights, obligations and responsibilities of both parties. The Receivables Sale and Purchase Agreement also set out the terms and conditions in respect of the resale and repurchase of the Ineligible Receivables and Defaulted Receivables.
- 36.3 The Company entered into the Servicing Agreement with ATS Rabbit (the subsidiary) on October 22, 2015. Based on such agreement, the subsidiary appointed the Company (as a transferor and servicer) to provide certain administration services (including record keeping and producing written reports relating to the Collections), to act as the collection agent and other services for loans receivable in relation to the Purchased Receivables. In addition, the Servicing Agreement also set out other relevant terms, such as the scope of the services, the payment of service fees, the termination of the appointment of the Servicer and the Back-up Servicer appointment of the substitute servicer.

### **37. SALE OF WRITTEN-OFF RECEIVABLES**

- 37.1 On February 22, 2018, the Company sold written-off receivables under loan agreements and credit card agreements by a bidding process to two unrelated local companies (the “buyers”) with the purchase price of Baht 164.07 and Baht 15.07 million, respectively. At the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyers. The agreements set 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 receivables under loan agreements and credit card agreements. On February 22, 2018, which is the closing date as specified in the agreements, the Company received the initial payment of Baht 41.02 million and Baht 15.07 million, respectively, from the buyers. One of the buyers has agreed to pay the remaining amount of purchase price amounting to Baht 123.05 million in three installments of Baht 41.02 million per each, on March 22, 2018, April 22, 2018 and on the delivery date, respectively. The Company has already recognized gain on sale of written-off receivables totaling Baht 179.14 million in the consolidated and separate statements of profit or loss for the year ended February 28, 2018, and recorded outstanding receivables of Baht 123.05 million as other receivables in the consolidated and separate statements of financial position as at February 28, 2018.

Subsequently, during the year ended February 28, 2019, the Company has already received cash proceeds of the remaining balance as specified in the agreement.

Under the Asset Sale and Purchase Agreement, if the buyer wished to sell or transfer loan that were intended to be a portfolio sale to a third party, the Company was entitled to a right to first negotiate with the buyer with regard to a purchase of the portfolio before any third party. If the negotiation did not conclude within three months or the Company decided not to make a purchase, the buyer might sell such loan to a third party.

- 37.2 On June 28, 2018, the Company sold written-off receivables under loan agreements and credit card agreements to ACS Servicing (Thailand) Company Limited (the “buyer”), a subsidiary, with the purchase price of Baht 31.52 million. On 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 receivables under loan agreements and credit card agreements. On June 28, 2018, which is the closing date as specified in the agreement, the Company received the payment in full from the buyer. However, the Group has retained substantially all of the risks and rewards of the assets transferred to the buyer which is the subsidiary. Consequently, the Company recorded cash received from the buyer as deferred revenue which will be recognized as revenue when the buyer can collect from debtors. The Company has already recognized revenue of Baht 4.29 million as bad debt recovery in the consolidated and separate statements of profit or loss for the year ended February 28, 2019, and recorded outstanding deferred revenue of Baht 27.23 million as other current liabilities in the separate statement of financial position as at February 28, 2019.

Under the Asset Sale and Purchase Agreement, if the buyer wished to sell or transfer loans receivable that were intended to be a portfolio sale to a third party, the Company was entitled to a right to first negotiate with the buyer with regard to a purchase of the portfolio before any third party. If the negotiation was not concluded within three months or the Company decided not to make a purchase, the buyer might sell such loans receivable to a third party.

### 38. RECLASSIFICATION

A reclassification has been made in the consolidated statement of financial position as at February 28, 2018, to conform to the classification used in the consolidated statement of financial position as at February 28, 2019. Such reclassification has no effect to previously reported net profit, total comprehensive income and shareholders’ equity. The reclassification is as follows:

<b>Account</b>	<b>Previous presentation</b>	<b>Current presentation</b>	<b>Amount Baht '000</b>
Current tax assets	Other current assets which presented under current assets	Current tax assets which presented under current assets	54,133

**39. EVENTS AFTER THE REPORTING PERIOD**

- 39.1 On March 21, 2019, the Board of Directors' Meeting No. 4/2019 has approved the establishment of New Insurance Broker Company in Cambodia, AEON Insurance Broker (Cambodia) Co., Ltd., with the registered capital of USD 300,000 subscribed by the Company of USD 150,000 and AEON Financial Service Co., Ltd. of USD 150,000 to support further expansion of the retail finance business in Cambodia.
- 39.2 The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019. The Group and the Company have already recognized past service cost in the consolidated and separate financial statements for the year ended February 28, 2019 in the amount of Baht 62.96 million and Baht 56.63 million, respectively (see Note 21).

**40. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved for issue by the Company's authorized director and the Audit Committee on April 23, 2019.

(Translation)

No.08/2019

April 29, 2019

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 5/2019

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby report the resolutions passed at the meeting of the Board of Directors No. 5/2019, held on April 29, 2019 from 1:00 p.m. as follows:

1. Acknowledged the Company's performance for the fiscal year ended February 28, 2019.
2. Unanimously approved of the audited financial statements of the Company for the fiscal year ended February 28, 2019.
3. Unanimously approved and declaration of final dividend payment for the fiscal year ended February 28, 2019. The final dividends will be paid at 2.35 baht per share to the shareholders on July 18, 2019. The right to receive dividend has to be approved at shareholders meeting on June 21, 2019.

This dividend is paid in addition to the interim dividend already paid at the rate of 2.35 baht per share on November 1, 2018. The total dividends for the fiscal year ended February 28, 2019, is 4.70 baht per share or 33.5% payout ratio. The company has set the record date on May 14, 2019 to determine the shareholders entitled to receive dividends (XD will be posted on May 13, 2019).

4. Approved the appointment of directors for the replacement of the directors who vacated office by rotation at the Annual General Meeting of the Shareholders 2019, there will be 4 directors who are due to retire upon completion of their term of office, namely:

1. Mr. Hideki Wakabayashi
2. Mr. Kenji Fujita
3. Dr. Sucharit Koontanakulvong
4. Mr. Shunichi Kobayashi



Approved re-appointment of Mr. Hideki Wakabayashi, Mr. Kenji Fujita, and Dr. Sucharit Koontanakulvong, whose term will be due on the date of the Annual General Meeting of Shareholders 2019 to be the Company's Directors for another term.

Acknowledged the resignation of Mr. Shunichi Kobayashi who vacated his position by rotation at the Annual General Meeting of Shareholders 2019.

5. Approved to reduce the number of directors of the Company from 13 to 12 directors and approve Ms. Kannika Kursirikul resignation from director's position and appoint Mr. Kazumasa Oshima as a new director of the Company replacing the outgoing director.

Therefore, the Board of Director of the Company will be as follows:

1. Mr. Hideki Wakabayashi
2. Mr. Masanori Kosaka
3. Mrs. Suporn Wattanavekin
4. Mr. Nuntawat Chotvijit
5. Ms. Suriporn Thammawatid
6. Mr. Kazumasa Oshima
7. Mr. Kenji Fujita
8. Mr. Chatchaval Jiravanon
9. Mr. Noppun Muangkote
10. Dr. Sucharit Koontanakulvong
11. Mr. Kenji Hayashi
12. Dr. Mongkon Laoworapong

The meeting also approved the directors' remuneration for the fiscal year ended February 29, 2020 to be not more than 29,000,000 baht.

6. Approved the appointment of the Audit Committee Members for the year ended February 29, 2020. The Audit Committee Members will consist of the following persons:
  - (1) Mr. Noppun Muangkote
  - (2) Dr. Sucharit Koontanakulvong
  - (3) Dr. Mongkon Laoworapong

7. Unanimously approved the appointment of three auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to be the Company's auditors for the fiscal year ended February 29, 2020, and the determination of the auditing fee within the amount of not exceeding 5,550,000 baht and the miscellaneous expenses of not more than 500,000 baht. The Company's auditors are as follows:

- |    |               |               |                         |
|----|---------------|---------------|-------------------------|
| 1. | Mrs. Nisakorn | Songmanee     | CPA (Thailand) No. 5035 |
| 2. | Mr. Chavala   | Tienpasertkij | CPA (Thailand) No. 4301 |
| 3. | Mr. Yongyuth  | Lertsurapibul | CPA (Thailand) No. 6770 |

8. Unanimously approved the schedule of the Annual General Meeting of Shareholders for the year 2019 to be held on June 21, 2019 at 10.00 am at the Grand Ballroom of Pullman Grand Bangkok Sukhumvit, 30 Sukhumvit 21, Asoke Road, Klongtoey Nua, Wattana, Bangkok 10110. The meeting agenda are as follows:

1. To acknowledge the annual report and the Company's operating results in the fiscal year ended February 28<sup>th</sup>, 2019.
2. To approve the audited financial statements for the fiscal year ended February 28, 2019.
3. To acknowledge the payment of interim dividend and approve declaration of final dividend payment for the fiscal year ended February 28, 2019.
4. To elect directors to replace those retiring by rotation and a new director and reduce number of directors.
5. To approve remuneration of directors for the fiscal year ended February 29, 2020.
6. To appoint auditor and determine audit fee for the fiscal year ended February 29, 2020.
7. Other businesses (if any)

The Board of Director meeting also approved the record date on May 14, 2019 to determine the shareholders who have the right to attend the Annual General Meeting.

Please be informed accordingly

Yours sincerely,

Masanori Kosaka

Vice Chairman of the Board

**Form to Report on Names of Members and Scope of Work of the Audit Committee**

The Board of Directors meeting of AEON Thana Sinsap (Thailand) Public Company Limited No. 5/2019 held on April 29, 2019 resolved the meeting's resolutions in the following manners:

- Appointment of the audit committee:
- Chairman of the audit committee       Member of the audit committee

As follows:

(1) Dr. Mongkon Laoworapong

- Renewal for the term of audit committee:
- Chairman of the audit committee       Member of the audit committee

(1) Mr. Noppun Muangkote

(2) Dr. Sucharit Koontanakulvong

The appointment/renewal of which shall take an effect as of April 29, 2019

- Determination/Change in the scope of duties and responsibilities of the audit committee with the following details:

.....  
 .....  
 .....  
 .....

, the determination/change of which shall take an effect as of .....

The audit committee is consisted of:

1. Chairman of the audit committee Mr. Noppun Muangkote.....remaining term in office 1 year
2. Member of the audit committee Dr. Sucharit Koontanakulvong.....remaining term in office 1 year
3. Member of the audit committee Dr. Mongkon Laoworapong.....remaining term in office 1 year

Secretary of the audit committee Ms. Kajohnporn Kittisobhone

The audit committee number(s) 1-3 have adequate expertise and experience to review creditability of the financial reports.

The audit committee of the company has the scope of duties and responsibilities to the Board of Director on the following matters:

1. Review the Company's financial reporting process to ensure accuracy and adequacy.
2. Ensure the Company has suitable and efficient internal control system and internal audit. The Committee shall consider the independence of the Internal Audit Office.
3. Review the performance of the Company to ensure compliance with the securities and exchange law, regulations of the Stock Exchange of Thailand or laws relating to business of the Company.
4. Consider, select and nominate the Company's external auditor and recommend its remuneration. The Committee shall meet privately with the external auditor once a year, without the management team being present.
5. Review the disclosure of the Company in case where there is any connected transaction that may lead to conflict of interest so as to ensure the reasonable transaction and benefit to the Company.
6. Prepare a report on monitoring activities of the Committee to be disclosed in the annual report of the Company, which shall be signed by the Chairman of the Committee and contained at least the following information:
  - 6.1 an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - 6.2 an opinion on the adequacy of the Company's internal control system,
  - 6.3 an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - 6.4 an opinion on the suitability of an auditor,
  - 6.5 an opinion on the transactions that may lead to conflicts of interests,
  - 6.6 the number of the audit committee meetings, and the attendance of such meetings by each committee member,
  - 6.7 an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
  - 6.8 other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
7. Perform anything else which was assigned by the Board of Directors of the Company together with an approval and under the scope of duties and responsibilities of the Committee.

The company hereby certifies that

1. The qualifications of the aforementioned members meet all the requirements of the Stock Exchange of Thailand; and
2. The scope of duties and responsibilities of the audit committee as stated above meet all the requirements of the Stock Exchange of Thailand

(Seal)

Signed ..... Vice Chairman of the Board

(Mr. Masanori Kosaka)

## Management Discussion and Analysis

Fiscal year ended February 28, 2019

AEON Thana Sinsap (Thailand) Public Company Limited (“the Company”) already submitted the audited financial statements for the year ended February 28, 2019 which were audited by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The Company has net profit attributed to owners of the parent of 3,506 million baht, an increase of 540 million baht or 18% compared to fiscal year 2017, and earning per share (EPS) of 14.03 baht per share. The operating performance is summarized as follows;

### Overview

According to Bank of Thailand and NESDB, overall Thai economy in 2018 expanded by 4.1%, higher than 4.0% growth in 2017. This was mainly from acceleration of private consumption and investment, as well as improving domestic consumption causes an increase in consumer confidence. Both export and tourism sectors rose faster in the first half of 2018. On the other hand, Thai economy showed signs of a slowdown in the second half of 2018 primarily due to the US-China trade war and global uncertainty contributed negative impact on export growth.

The growth of credit card business in Thailand continue expansion due to overall economic recovery. According to the Bank of Thailand data, at the end of December 2018, the credit card industry reported the total numbers of credit card industry amounted to 22.1 million cards, has grown by 9% more than last year. Credit Card receivable was 418,747 million baht, with the growth of 6% from the same period last year. For personal loan industry, the numbers of account of personal loan under supervision amounted to 13.4 million accounts, 5% more than last year. Personal loan receivable was 383,278 million baht, with the growth of 8% from the same period last year.

In the fiscal year ended February 28, 2019, the Company's total cards reached 8.52 million cards, increasing by 5% from last year, including 2.62 million credit cards increased by 1% y-y and 5.90 million member cards increased 4% y-y. For service channels nationwide, the Company has 104 branches, opened AEON Lounge total 13 locations to facilitate gold card and platinum card members, 440 ATMs, and over 4,800 member dealers to provide quality financial services to AEON cardholders.

## Operating Results

- **Revenues**

In the fiscal year ended February 28, 2019, the Company's consolidated revenues amounted to 20,642 million baht, an increase of 1,979 million baht or 11% from 18,663 million baht in the fiscal year 2017. For the fourth quarter 2018, revenues amounted to 5,307 million baht, increased by 2% q-q and 5% y-y. This was the result of an increase in core business revenues by 11% y-y, and bad debt recovery by 27% y-y. The revenues of subsidiaries in Thailand and overseas shares 6% of total company's revenues and overseas revenue grew by 50% from last year. AEON Cambodia had 2 AEON malls, which became a key factor to support their business and AEON Myanmar opened 2 new branches in Yangon. As a result, overseas businesses have active customers more than 200,000, increased by 52% from last year, and representing 10% of total company customers, which is 2 million active customers per month, mainly from Bangkok 31%, and in up-country 69%. Details of each business can be described as follows:

- Credit Card

Credit card turnover in the fiscal year 2018 improved by 13% from last year and represented 63% of total turnovers. Revenues from credit card were 7,490 million baht, showing an increase of 683 million baht or 10% y-y. This was the result of the Company has cooperated with many high-potential leading business partners to increased member base customers by issuing co-branded card such as AEON Royal Orchid Plus World Mastercard and AEON J-Premier Platinum Credit Card. The Company also launched privileges and campaigns for AEON credit cardholders throughout the year. For example, "AEON Shop Plus" campaign was launched for credit card customers to accumulate sales slips up to required amounts for premium redemption, campaign "AEON Gift 2019", AEON cardholders register via SMS or AEON Thai Mobile Application or website in order to redeem the premiums and vouchers, and also launched promotion for customers who apply AEON card via online channel. In addition, AEON Specialized Bank (Cambodia) Plc expanded credit card revenue of 39 million baht, grew by 89% y-y.

- Loans

In the fiscal year ended February 28, 2019, loans shared 30% of total turnovers (shared 22% from personal loan and 8% from purposed loan for mobile phone, IT products, electrical appliances and etc. at over department stores and more than 4,800 dealers nationwide). Revenues from loans were 10,723 million baht, showing an increase of 1,150 million baht or 12% y-y. This is because the Company integrated credit limit of purpose loan and personal loan to AEON Happy Pay program and launched an instant card service for AEON Member Card at AEON branches nationwide. In the fourth quarter of 2018, The Company also launched a new service called "Cardless Withdrawal" under AEON Yourcash function as an alternative to provide convenience and flexibility for AEON customers. AEON customers can withdraw cash via the AEON Thai Mobile Application by scan a QR code to withdraw cash through AEON ATM and KBank ATM nationwide. For overseas

businesses, loan income from AEON Microfinance (Myanmar) Company Limited grew by 73% y-y and AEON Specialized Bank (Cambodia) Plc grew by 57% y-y.

- Hire Purchase

In the fiscal year ended February 28, 2019, the Company provides hire purchase business for motorcycle and second hand car in Thailand and provides hire purchase for electrical appliances, mobile phone etc in overseas. Revenues from hire purchase were 431 million baht, an increase of 61 million baht or 17% from total hire purchase revenues last year, drove by auto loan business. In addition, the Company had hire purchase income from AEON Specialized Bank (Cambodia) Plc at the amount of 263 million baht that increased 25% y-y and AEON Leasing Service (Lao) Company Limited at the amount of 102 million baht that increased 35% y-y.

- Others

In the fiscal year ended February 28, 2019, the Company had other revenues of 1,998 million baht, an increase of 84 million baht or 4% y-y, and sharing 10% of total revenue. The increase was mainly from the continued growth of bad debt recovery that increased 27% y-y. In 2017, the Company had gain on sale of written off receivables in Q4/2017 of 179 million baht but no gain on sale of bad debt in 2018.

For performances of company's subsidiaries in Thailand, the Company had commission income of 513 million baht, increasing by 4% from AEON Insurance Service (Thailand) Co., Ltd. and collection service income of 266 million baht, increasing by 14% from last year from ACS Servicing (Thailand) Co., Ltd.

● Expenses

The Company's expenses mainly consist of operating and administrative expenses, bad debt and doubtful accounts, and finance cost. In the fiscal year ended February 28, 2019, the Company had total consolidated expenses of 16,213 million baht, increased by 1,263 million baht or 8% y-y. Details of total expenses can be described as follows:

- Operating and Administrative Expenses

In fiscal year ended February 28, 2019, the Company's operating and administrative expenses were 8,754 million baht, increased 587 million baht or 7% y-y. This was a result of an increase in marketing expense by 9%, personal expense by 13% caused by increasing in provision for employees' retirement benefits according to New Labor Act and recorded loss on impairment of assets in the fourth quarter of 2018. In terms of proportion to total revenues, operating and administrative expenses represented 42% of total revenues. Considering the Company's financial statement, the operating and administrative expenses as a percentage of revenues represented 40%.



#### - Bad debt and doubtful accounts

In the fiscal year ended February 28, 2019, the bad debt and doubtful accounts in the consolidated financial statement of the Company was 5,285 million baht, increased by 13% y-y. The increase of bad debt and doubtful accounts was mainly from the expansion of our loan portfolio and increased in writing off the bad debt. Moreover, the Company has developed a new collection to improve debt collection efficiently.

#### - Finance Cost

In the fiscal year ended February 28, 2019, the Company's finance cost recorded at 2,175 million baht, which is the same level as last year and accounted for 11% of total revenues. The ability to maintain low financial cost due to the replacement long term loan with lower rate as well as the Company's policy to manage liquidity risk and interest rates fluctuation risk by mainly locking in long-term borrowing, which is 75% of total borrowings. The weight average funding cost in the fourth quarter of 2018 was at 3.07% same as previous quarter 3.06% but reduced from 3.37% in the last year.

#### ● Net Profit

In the fiscal year ended February 28, 2019, consolidated operating income was reported at 4,434 million baht, showing an increase of 720 million baht or 19% y-y. The Company's recorded a high net profit of 3,506 million baht, an increase of 540 million baht or 18% from the previous fiscal year, and earning per share was 14.03 baht per share. The increase was mainly from an increase in core business revenues, a growth of income from bad debt recovery and accounts receivable as well as a strong growth from both domestic and overseas businesses. In addition, in FY2018, the Company recorded the share of profit from investment in ACS Trading Vietnam Co., Ltd. of 5.6 million baht, increased more than 5 times from last year. Net profit in the fourth quarter of 2018 was 817 million baht, a decrease of 111 million baht or 12% from last year. Therefore, if excluding the expenses of provision for employee' retirement benefits, loss on impairment of assets in the fourth quarter of 2018 and gain on sale of written off account receivables last year, our net profit in the fourth quarter of 2018 increased 3% q-q and 23% y-y.

#### Financial Status

#### ● Total Assets

As of February 28, 2019, consolidated total assets were 87,122 million baht, increasing by 6,350 million baht or 8% from 80,771 million baht as of February 28, 2018. Mainly, the assets were attributed to the portfolio of net accounts receivable, which was 95% of total assets.

#### - Accounts Receivable

For the year ended February 28, 2019, The Company had consolidated accounts receivable of 82,512 million baht, increasing by 9% y-y from 75,824 million baht in fiscal year 2017. This can be categorized by business

type as follows: credit card receivable 36,623 million baht, increasing by 6% y-y which is the same level of credit card industry, loans receivable 43,590 million baht increasing by 10% y-y, the loan growth is higher than industry of 8%, and hire purchase receivable 2,118 million baht increasing by 67% y-y drove by auto loan business was launched last year, and other receivables 180 million baht increasing by 5% y-y.

As of February 28, 2019, the Company provided allowance for doubtful accounts of 2,880 million baht or 3.49% of total accounts receivable, increased from 3.19% at the end of previous fiscal year but decreased from 3.54% at the end of previous quarter. The percentage account receivable 3 months overdue or non-performing loan ratio (NPL) was 2.76% at February 28, 2018, increased from 2.35% at the end of previous year but decreased from 2.80% at the end of previous quarter. The Company has set aside higher allowance for doubtful accounts and the coverage ratio of allowance for doubtful accounts to accounts receivable overdue more than 3 months (NPLs) was 126% at February 28, 2019.

- **Total Liabilities**

As of February 28, 2019, total liabilities amounted to 68,733 million baht, an increase of 3,783 million baht or 6% from 64,950 million baht as of February 28, 2018. There were both short-term and long-term borrowings totally 63,658 million baht. The portion of long-term borrowings was 47,505 million baht or represented 75% of total borrowings.

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

- **Shareholders' Equity**

As of February 28, 2019, shareholders' equity was 18,388 million baht, an increase of 2,566 million baht or 16% from 15,822 million baht as of February 28, 2018. Consequently, Book value as of February 28, 2019 was 72.2 baht per share, increasing from that of 62.9 baht per share at the end of last fiscal year.

Debt to Equity ratio as of February 28, 2019, decreased to 3.8 times from 4.1 times last fiscal year. Return on Equity and Return on Asset are 20.8% and 4.2%, respectively.

In addition, the Board of Directors' meeting has approved the final dividend payment for the fiscal year ended February 28, 2019, at the rate of 2.35 baht per share, which will be paid after being approved from AGM on June 21, 2019. The Company already paid the interim dividend of 2.35 baht per share on November 1, 2018.

The total dividend for FY2018 will be 4.70 baht per share or 33.5% payout ratio. The company has set the record date on May 14, 2019 to determine the shareholders entitled to receive dividends (XD will be posted on May 13, 2019).