

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

TO THE BOARD OF DIRECTORS

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED

We have reviewed the consolidated statement of financial position of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate statement of financial position of AEON Thana Sinsap (Thailand) Public Company Limited as at May 31, 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 three-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

BANGKOK
July 3, 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 MAY 31, 2019

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		May 31,	February 28,	May 31,	February 28,
		2019	2019	2019	2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	4,971,683	4,068,052	3,799,480	2,792,584
Trade and other current receivables					
Trade receivables	5	79,272,409	77,800,975	77,258,620	75,412,204
Other receivables		731,587	637,851	672,453	587,932
Seller loan in Special Purpose Vehicle for securitization	7	-	-	158,147	199,920
Receivables per currency swap contracts	11 and 13	79,976	35,908	79,976	35,908
Current tax assets		67,231	67,231	-	-
Other current assets		50,514	146,437	37,920	37,818
Total Current Assets		<u>85,173,400</u>	<u>82,756,454</u>	<u>82,006,596</u>	<u>79,066,366</u>
NON-CURRENT ASSETS					
Trade receivables	5	2,917,400	1,831,381	660,043	486,446
Fixed deposits at banks under obligations		41,373	42,139	-	-
Investment in an associate	6.1 and 6.2	37,164	38,096	16,819	16,819
Investments in subsidiaries	6.2	-	-	1,028,011	1,028,011
Other long-term investments					
Related companies	6.3	19,445	20,072	19,445	20,072
Subordinated lendings	8.1	-	-	84,074	84,074
Leasehold improvement and equipment		950,915	956,829	802,049	803,219
Intangible assets		649,903	529,593	530,042	413,635
Receivables per currency swap contracts	11	179,179	118,875	179,179	118,875
Deferred tax assets	9	664,922	621,650	643,421	600,052
Other non-current assets		210,347	206,448	183,950	180,220
Total Non-Current Assets		<u>5,670,648</u>	<u>4,365,083</u>	<u>4,147,033</u>	<u>3,751,423</u>
TOTAL ASSETS		<u><u>90,844,048</u></u>	<u><u>87,121,537</u></u>	<u><u>86,153,629</u></u>	<u><u>82,817,789</u></u>

See condensed notes to the financial statements

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT MAY 31, 2019

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		May 31,	February 28,	May 31,	February 28,
		2019	2019	2019	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	10	9,140,561	7,100,203	6,220,902	4,690,163
Trade and other current payables					
Trade payables		379,390	517,370	199,049	183,274
Other payables		1,587,567	1,501,998	1,495,252	1,480,055
Current portion of long-term liabilities					
Liabilities under finance lease agreements		609	911	-	-
Long-term borrowings	11	8,254,344	6,071,921	8,158,408	5,974,076
Long-term debentures	13	4,105,707	2,980,813	4,105,707	2,980,813
Current income tax payable		735,463	467,872	690,524	434,002
Payables per currency swap contracts	11 and 13	642,232	441,278	642,232	441,278
Other current liabilities		267,343	234,293	243,077	227,072
Total Current Liabilities		<u>25,113,216</u>	<u>19,316,659</u>	<u>21,755,151</u>	<u>16,410,733</u>
NON-CURRENT LIABILITIES					
Long-term borrowings	11	34,734,289	34,546,943	34,222,633	34,025,106
Long-term borrowings under securitization project	12	-	-	1,706,426	1,652,515
Long-term debentures	13	10,292,343	12,957,807	8,819,261	11,484,725
Payables per currency swap contracts	11 and 13	946,527	1,543,443	946,527	1,543,443
Subordinated borrowings	8.2	84,074	84,074	-	-
Provisions for employee benefit	14	286,945	271,321	256,612	242,534
Other non-current liabilities		12,456	12,927	415	457
Total Non-Current Liabilities		<u>46,356,634</u>	<u>49,416,515</u>	<u>45,951,874</u>	<u>48,948,780</u>
TOTAL LIABILITIES		<u>71,469,850</u>	<u>68,733,174</u>	<u>67,707,025</u>	<u>65,359,513</u>

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT MAY 31, 2019

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		May 31,	February 28,	May 31,	February 28,
		2019	2019	2019	2019
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY	15				
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		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		13,560,609	12,574,005	12,843,604	11,855,276
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY					
Exchange differences on translating					
financial statements of foreign operations		(134,494)	(123,078)	-	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		19,029,115	18,053,927	18,446,604	17,458,276
NON-CONTROLLING INTERESTS		345,083	334,436	-	-
TOTAL SHAREHOLDERS' EQUITY		19,374,198	18,388,363	18,446,604	17,458,276
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		90,844,048	87,121,537	86,153,629	82,817,789

See condensed notes to the financial statements

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

STATEMENT OF PROFIT OR LOSS

FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2019

“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the three-month		For the three-month	
		periods ended		periods ended	
		May 31,	May 31,	May 31,	May 31,
		2019	2018	2019	2018
REVENUES					
Credit card income		1,866,749	1,853,976	1,944,772	1,932,347
Loan income	16	2,920,316	2,604,156	2,819,645	2,556,646
Hire-purchase income		147,724	90,777	23,891	16,696
Other income					
Bad debt recovery		234,307	169,655	234,307	169,655
Collection service income		67,434	64,131	339	1,070
Commission income		132,735	124,741	-	-
Dividend income		-	-	86,180	150,016
Others		124,554	109,027	29,507	37,373
Total other income		559,030	467,554	350,333	358,114
Total Revenues		5,493,819	5,016,463	5,138,641	4,863,803
EXPENSES					
Operating and administrative expenses		2,240,734	2,044,235	1,988,045	1,839,580
Directors and managements' remuneration	17	40,773	43,589	24,183	24,489
Bad debts and doubtful accounts		1,394,636	1,205,430	1,329,523	1,165,758
Loss on impairment of investment		627	-	627	-
Loss on sale and write-off of leasehold improvement and equipment and intangible assets		807	1,653	750	588
Finance costs		543,796	551,740	588,913	598,316
Total Expenses		4,221,373	3,846,647	3,932,041	3,628,731
Share of profit (loss) from investment in an associate		(932)	1,122	-	-
PROFIT BEFORE INCOME TAX		1,271,514	1,170,938	1,206,600	1,235,072
INCOME TAX EXPENSE	18	254,703	232,925	218,272	208,628
NET PROFIT FOR THE PERIOD		1,016,811	938,013	988,328	1,026,444
NET PROFIT ATTRIBUTABLE TO :					
Owners of the parent		986,604	927,575	988,328	1,026,444
Non-controlling interests		30,207	10,438	-	-
		1,016,811	938,013	988,328	1,026,444
BASIC EARNINGS PER SHARE	BAHT	3.95	3.71	3.95	4.11
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	250,000,000	250,000,000	250,000,000	250,000,000

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2019
“UNAUDITED”

UNIT : THOUSAND BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month		For the three-month	
	periods ended		periods ended	
	May 31,	May 31,	May 31,	May 31,
	2019	2018	2019	2018
Net profit for the period	1,016,811	938,013	988,328	1,026,444
Other comprehensive 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				
- Owners of the parent	(11,416)	(32,523)	-	-
- Non-controlling interests	(8,993)	(4,986)	-	-
Other comprehensive loss for the period, net of tax	(20,409)	(37,509)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	996,402	900,504	988,328	1,026,444
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :				
Owners of the parent	975,188	895,052	988,328	1,026,444
Non-controlling interests	21,214	5,452	-	-
	996,402	900,504	988,328	1,026,444

See condensed notes to the financial statements

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2019
"UNAUDITED"

UNIT : THOUSAND BAHT

Note	CONSOLIDATED FINANCIAL STATEMENTS							Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings	Other components of shareholders' equity	Total owners of the parent	Non-controlling interests	Total shareholders' equity		
			Appropriated	Unappropriated	Exchange differences	on translating financial statements of foreign operations			
		Legal reserve	Reserve for business expansion						
Beginning balance as at March 1, 2018	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 period									
Increase in share capital from non-controlling interests in a subsidiary	6.2	-	-	-	-	-	-	235,547	235,547
Dividend paid		-	-	-	-	-	-	(10,389)	(10,389)
Net profit for the period		-	-	-	927,575	-	927,575	10,438	938,013
Other comprehensive loss		-	-	-	-	(32,523)	(32,523)	(4,986)	(37,509)
Ending balance as at May 31, 2018	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>11,151,150</u>	<u>(122,464)</u>	<u>16,631,686</u>	<u>315,777</u>	<u>16,947,463</u>
Beginning balance as at March 1, 2019	250,000	478,000	25,000	4,850,000	12,574,005	(123,078)	18,053,927	334,436	18,388,363
Changes during the period									
Dividend paid		-	-	-	-	-	-	(10,567)	(10,567)
Net profit for the period		-	-	-	986,604	-	986,604	30,207	1,016,811
Other comprehensive loss		-	-	-	-	(11,416)	(11,416)	(8,993)	(20,409)
Ending balance as at May 31, 2019	<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>13,560,609</u>	<u>(134,494)</u>	<u>19,029,115</u>	<u>345,083</u>	<u>19,374,198</u>

See condensed notes to the financial statements

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2019

“UNAUDITED”

UNIT : THOUSAND BAHT

	Note	SEPARATE FINANCIAL STATEMENTS				Total shareholders' equity	
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings Appropriated Legal reserve	Retained earnings Reserve for business expansion		Unappropriated
Beginning balance as at March 1, 2018		250,000	478,000	25,000	4,850,000	9,574,636	15,177,636
Changes during the period							
Net profit for the period		-	-	-	-	1,026,444	1,026,444
Ending balance as at May 31, 2018		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>10,601,080</u>	<u>16,204,080</u>
Beginning balance as at March 1, 2019		250,000	478,000	25,000	4,850,000	11,855,276	17,458,276
Changes during the period							
Net profit for the period		-	-	-	-	988,328	988,328
Ending balance as at May 31, 2019		<u>250,000</u>	<u>478,000</u>	<u>25,000</u>	<u>4,850,000</u>	<u>12,843,604</u>	<u>18,446,604</u>

See condensed notes to the financial statements

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

STATEMENT OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2019

“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the three-month		For the three-month	
		periods ended		periods ended	
		May 31,	May 31,	May 31,	May 31,
		2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax		1,271,514	1,170,938	1,206,600	1,235,072
Adjustments for:					
Share of (profit) loss from investment in an associate		932	(1,122)	-	-
Bad debts and doubtful accounts		1,394,636	1,205,430	1,329,523	1,165,758
Loss on impairment of investment		627	-	627	-
Depreciation of leasehold improvement and equipment		94,154	104,409	76,641	80,634
Amortization of intangible assets		40,557	41,842	33,375	34,017
Loss on sale of leasehold improvement and equipment		754	1,651	750	586
Loss on write-off of leasehold improvement and equipment		53	2	-	2
Employee benefit expense		15,624	20,636	14,078	18,120
Interest income		(3,277,780)	(2,911,841)	(2,896,168)	(2,665,420)
Dividend income		-	-	(86,180)	(150,016)
Finance costs		543,796	551,740	588,913	598,316
		<u>84,867</u>	<u>183,685</u>	<u>268,159</u>	<u>317,069</u>
Operating assets (increase) decrease					
Trade and other current receivables		(4,098,392)	(2,498,796)	(3,491,382)	(2,308,331)
Other current assets		95,915	(7,739)	(102)	2,546
Other non-current assets		(4,153)	(13,819)	(3,730)	(3,924)
Operating liabilities increase (decrease)					
Trade and other current payables		(44,323)	165,310	40,215	209,845
Other current liabilities		33,214	62,890	16,005	18,717
Other non-current liabilities		(399)	78	(42)	(407)
Cash paid for operations		(3,933,271)	(2,108,391)	(3,170,877)	(1,764,485)
Proceeds from interest income		3,279,991	2,888,695	2,914,824	2,647,779
Dividend received		-	-	86,180	150,016
Finance costs paid		(608,905)	(722,186)	(655,688)	(758,880)
Income tax paid		(30,304)	(16,989)	(5,119)	(4,793)
Net cash provided by (used in) operating activities		<u>(1,292,489)</u>	<u>41,129</u>	<u>(830,680)</u>	<u>269,637</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2019
“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the three-month periods ended		For the three-month periods ended	
		May 31, 2019	May 31, 2018	May 31, 2019	May 31, 2018
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for fixed deposits at banks under obligations		(4)	(11,832)	-	-
Cash paid for purchase of leasehold improvement and equipment	4.2	(91,397)	(97,368)	(77,668)	(154,580)
Proceeds from sale of leasehold improvement and equipment		74	97	71	47
Cash paid for purchase of intangible assets	4.2	(93,189)	(44,745)	(80,476)	(53,600)
Net cash used in investing activities		<u>(184,516)</u>	<u>(153,848)</u>	<u>(158,073)</u>	<u>(208,133)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from bank overdrafts and short-term borrowings from financial institutions	4.4	20,045,960	11,324,921	16,832,262	10,900,009
Cash repayments for bank overdrafts and short-term borrowings from financial institutions	4.4	(17,982,363)	(10,171,134)	(15,301,523)	(10,070,000)
Cash paid for finance lease agreements	4.4	(302)	(9,075)	-	-
Proceeds from long-term borrowings	4.4	2,633,200	2,716,220	2,633,200	2,716,220
Cash repayments for long-term borrowings	4.4	(731,430)	(3,999,850)	(731,430)	(3,999,850)
Proceeds from long-term borrowings under securitization project	4.4	-	-	347,585	242,777
Cash repayments for long-term borrowings under securitization project	4.4	-	-	(212,585)	(193,789)
Proceeds from long-term debentures issuance	4.4	-	46,410	-	-
Cash repayments for long-term debentures	4.4	(1,571,860)	-	(1,571,860)	-
Proceeds from subordinated borrowings	4.4	-	2,578	-	-
Proceeds from sale of written-off receivables		-	123,055	-	123,055
Proceeds from ordinary shares issued of a subsidiary		-	235,547	-	-
Cash paid for dividend		(10,567)	(10,733)	-	-
Net cash provided by (used in) financing activities		<u>2,382,638</u>	<u>257,939</u>	<u>1,995,649</u>	<u>(281,578)</u>
Net increase (decrease) in cash and cash equivalents		905,633	145,220	1,006,896	(220,074)
Foreign exchange rate differences		(2,002)	(7,219)	-	-
Cash and cash equivalents at the beginning of the period		4,068,052	4,089,802	2,792,584	3,227,739
Cash and cash equivalents at the end of the period	4.1	<u>4,971,683</u>	<u>4,227,803</u>	<u>3,799,480</u>	<u>3,007,665</u>

See condensed notes to the financial statements

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2019
“UNAUDITED”**

1. OPERATIONS OF THE COMPANY

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

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

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 2.5, Note 6.1 and Note 6.2.

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

2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2018) “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to the interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission (the “SEC”).

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

2.2 The interim consolidated and separate financial statements for the three-month periods ended May 31, 2019 and 2018 are prepared by the management of the Company and are unaudited. However, in the opinion of the Company, all adjustments necessary for a fair presentation have been reflected therein.

The consolidated and separate statements of financial position as at February 28, 2019, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which have been audited.

- 2.3 The unaudited results of operations presented in the three-month period ended May 31, 2019 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with Thai Financial Reporting Standards (“TFRSs”), but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month period ended May 31, 2019 should be read in conjunction with the audited financial statements for the year ended February 28, 2019.
- 2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from these interim consolidated financial statements. The interim consolidated financial statements for the three-month period ended May 31, 2019 have included the subsidiaries’ interim financial information which were reviewed.

For the three-month periods ended May 31, 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. ⁽³⁾	Retail finance business	Cambodia	October 5, 2011	50.00	50.00
AEON Microfinance (Myanmar) Company Limited	Retail finance business	Myanmar	November 2, 2012	100.00	100.00
AEON Leasing Service (Lao) Company Limited ⁽¹⁾	Retail finance business	Laos	January 11, 2013	100.00	100.00
ATS Rabbit Special Purpose Vehicle Company Limited ⁽²⁾	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 still has the power to control over the subsidiary in accordance with the requirement of TFRS No.10 (Revised 2018) “Consolidated Financial Statements” (see Note 6.2).

The interim consolidated financial statements for the three-month periods ended May 31, 2019 and 2018 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.

- 2.6 The financial statements of the 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 associate using the most recent financial statements of the subsidiaries and associate adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements. The 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 three-month periods ended	
	May 31, 2019	May 31, 2018
Subsidiaries		
ACS Servicing (Thailand) Company Limited	March 31, 2019	March 31, 2018
AEON Insurance Service (Thailand) Company Limited	March 31, 2019	March 31, 2018
AEON Specialized Bank (Cambodia) Plc.	March 31, 2019	March 31, 2018
AEON Microfinance (Myanmar) Company Limited	March 31, 2019	March 31, 2018
AEON Leasing Service (Lao) Company Limited	March 31, 2019	March 31, 2018
Associate		
ACS Trading Vietnam Company Limited	March 31, 2019	March 31, 2018

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

During the period, the Group and the Company have adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for the accounting periods beginning on or after January 1, 2019. 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 interim financial statements.

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

The Federation of Accounting Professions has issued the Notification regarding 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 accounting 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 relevant TFRSs in the preparation of the Group’s and the Company’s financial statements when they become effective or earlier than the effective date. 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 interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended February 28, 2019.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at May 31, 2019 and February 28, 2019, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000	As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000
Cash	1,484,205	1,231,759	1,461,210	1,210,669
Deposits at bank - call deposits	3,487,478	2,836,293	2,338,270	1,581,915
Cash and cash equivalents	<u>4,971,683</u>	<u>4,068,052</u>	<u>3,799,480</u>	<u>2,792,584</u>

4.2 Cash paid for purchase of leasehold improvement and equipment and intangible assets for the three-month periods ended May 31, 2019 and 2018, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019 Baht '000	2018 Baht '000	2019 Baht '000	2018 Baht '000
Leasehold improvement and equipment				
Liabilities recorded - brought forward	28,930	28,400	28,673	25,232
Purchase of leasehold improvement and equipment	90,796	88,739	76,292	176,394
	<u>119,726</u>	<u>117,139</u>	<u>104,965</u>	<u>201,626</u>
<u>Less</u> Liabilities relating to transferred employees (see Note 14)	-	-	-	(28,316)
<u>Less</u> Cash paid for purchase of leasehold improvement and equipment	<u>(91,397)</u>	<u>(97,368)</u>	<u>(77,668)</u>	<u>(154,580)</u>
Liabilities recorded - carried forward	<u>28,329</u>	<u>19,771</u>	<u>27,297</u>	<u>18,730</u>
Intangible assets				
Liabilities recorded - brought forward	28,891	11,017	28,891	11,017
Purchase of intangible assets	162,495	56,619	149,782	65,474
	<u>191,386</u>	<u>67,636</u>	<u>178,673</u>	<u>76,491</u>
<u>Less</u> Cash paid for purchase of intangible assets	<u>(93,189)</u>	<u>(44,745)</u>	<u>(80,476)</u>	<u>(53,600)</u>
Liabilities recorded - carried forward	<u>98,197</u>	<u>22,891</u>	<u>98,197</u>	<u>22,891</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 three-month period ended May 31, 2019, such sale was settled by decreasing the Seller loan Account of Baht 41.77 million, and during the three-month period ended May 31, 2018 by increasing the Subordinated lendings Account and the Seller loan Account of Baht 2.58 million and Baht 0.48 million, respectively, instead of cash receipt.

4.4 Changes in liabilities arising from financing activities for the three-month periods ended May 31, 2019 and 2018, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					“Unaudited” Ending balance as at May 31, 2019 Baht '000
	Beginning balance as at March 1, 2019 Baht '000	Financing cash flows		Non-cash changes		
		Cash received	Cash paid	Differences on translating foreign currencies	Others	
Bank overdrafts and short-term borrowings from financial institutions	7,100,203	20,045,960	(17,982,363)	(23,239)	-	9,140,561
Liabilities under finance lease agreements	911	-	(302)	-	-	609
Long-term borrowings	40,618,864	2,633,200	(731,430)	461,909	6,090	42,988,633
Long-term debentures	15,938,620	-	(1,571,860)	26,335	4,955	14,398,050
Subordinated borrowings	84,074	-	-	-	-	84,074

	CONSOLIDATED FINANCIAL STATEMENTS					“Unaudited” Ending balance as at May 31, 2018 Baht '000
	Beginning balance as at March 1, 2018 Baht '000	Financing cash flows		Non-cash changes		
		Cash received	Cash paid	Differences on translating foreign currencies	Others	
Bank overdrafts and short-term borrowings from financial institutions	3,952,399	11,324,921	(10,171,134)	(35,353)	-	5,070,833
Liabilities under finance lease agreements	10,884	-	(9,075)	-	-	1,809
Long-term borrowings	40,788,123	2,716,220	(3,999,850)	527,330	(7,117)	40,024,706
Long-term debentures	14,593,173	46,410	-	117,179	6,611	14,763,373
Subordinated borrowings	71,157	2,578	-	-	-	73,735

SEPARATE FINANCIAL STATEMENTS

	Beginning balance as at March 1, 2019 Baht '000	Financing cash flows		Non-cash changes		“Unaudited” Ending balance as at May 31, 2019 Baht '000
		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	4,690,163	16,832,262	(15,301,523)	-	-	6,220,902
Long-term borrowings	39,999,182	2,633,200	(731,430)	473,999	6,090	42,381,041
Long-term borrowings under securitization project	1,652,515	347,585	(212,585)	-	(81,089)	1,706,426
Long-term debentures	14,465,538	-	(1,571,860)	26,335	4,955	12,924,968

SEPARATE FINANCIAL STATEMENTS

	Beginning balance as at March 1, 2018 Baht '000	Financing cash flows		Non-cash changes		“Unaudited” Ending balance as at May 31, 2018 Baht '000
		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	2,820,000	10,900,009	(10,070,000)	-	-	3,650,009
Long-term borrowings	40,164,026	2,716,220	(3,999,850)	554,707	(7,117)	39,427,986
Long-term borrowings under securitization project	1,366,167	242,777	(193,789)	-	(24,146)	1,391,009
Long-term debentures	13,352,603	-	-	117,179	6,611	13,476,393

5. TRADE RECEIVABLES

5.1 Trade receivables as at May 31, 2019 and February 28, 2019, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000	As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000
Trade receivables	83,545,439	80,859,809	79,188,539	77,052,776
Trade receivables under securitization project				
- ATS Rabbit Special Purpose Vehicle Company Limited	<u>1,706,426</u>	<u>1,652,515</u>	<u>1,706,426</u>	<u>1,652,515</u>
Total	85,251,865	82,512,324	80,894,965	78,705,291
<u>Less</u> Allowance for doubtful accounts	<u>(3,062,056)</u>	<u>(2,879,968)</u>	<u>(2,976,302)</u>	<u>(2,806,641)</u>
Total trade receivables	<u>82,189,809</u>	<u>79,632,356</u>	<u>77,918,663</u>	<u>75,898,650</u>
Trade receivables due within 1 year	79,272,409	77,800,975	77,258,620	75,412,204
Trade receivables due after 1 year	<u>2,917,400</u>	<u>1,831,381</u>	<u>660,043</u>	<u>486,446</u>
Total trade receivables	<u>82,189,809</u>	<u>79,632,356</u>	<u>77,918,663</u>	<u>75,898,650</u>

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 May 31, 2019 and February 28, 2019, trade receivables are as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
“Unaudited”						
	As at May 31, 2019			As at February 28, 2019		
	Due within 1 year	Due after 1 year	Total	Due within 1 year	Due after 1 year	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Hire-purchase receivable						
Hire-purchase and accrued interest receivable	584,869	2,293,676	2,878,545	913,412	1,392,049	2,305,461
<u>Less</u> Unearned financing income	<u>(100,913)</u>	<u>(166,404)</u>	<u>(267,317)</u>	<u>(74,191)</u>	<u>(112,917)</u>	<u>(187,108)</u>
	483,956	2,127,272	2,611,228	839,221	1,279,132	2,118,353
<u>Less</u> Allowance for doubtful accounts	<u>(70,841)</u>	<u>-</u>	<u>(70,841)</u>	<u>(54,309)</u>	<u>-</u>	<u>(54,309)</u>
Hire-purchase and accrued interest receivable - net	<u>413,115</u>	<u>2,127,272</u>	<u>2,540,387</u>	<u>784,912</u>	<u>1,279,132</u>	<u>2,064,044</u>
Loans receivable						
Loans and accrued interest receivable	44,656,324	790,128	45,446,452	43,037,869	552,249	43,590,118
<u>Less</u> Allowance for doubtful accounts	<u>(1,824,830)</u>	<u>-</u>	<u>(1,824,830)</u>	<u>(1,728,606)</u>	<u>-</u>	<u>(1,728,606)</u>
Loans and accrued interest receivable - net	<u>42,831,494</u>	<u>790,128</u>	<u>43,621,622</u>	<u>41,309,263</u>	<u>552,249</u>	<u>41,861,512</u>
Credit card receivable						
Credit card and accrued interest receivable	37,067,106	-	37,067,106	36,623,244	-	36,623,244
<u>Less</u> Allowance for doubtful accounts	<u>(1,165,485)</u>	<u>-</u>	<u>(1,165,485)</u>	<u>(1,096,147)</u>	<u>-</u>	<u>(1,096,147)</u>
Credit card and accrued interest receivable - net	<u>35,901,621</u>	<u>-</u>	<u>35,901,621</u>	<u>35,527,097</u>	<u>-</u>	<u>35,527,097</u>
Receivable from rendering the collection service						
Receivable from rendering the collection service	20,868	-	20,868	11,360	-	11,360
<u>Less</u> Allowance for doubtful accounts	<u>(900)</u>	<u>-</u>	<u>(900)</u>	<u>(906)</u>	<u>-</u>	<u>(906)</u>
Receivable from rendering the collection service - net	<u>19,968</u>	<u>-</u>	<u>19,968</u>	<u>10,454</u>	<u>-</u>	<u>10,454</u>
Receivable from insurance broker business						
	<u>106,211</u>	<u>-</u>	<u>106,211</u>	<u>169,249</u>	<u>-</u>	<u>169,249</u>
Total trade receivables	<u>79,272,409</u>	<u>2,917,400</u>	<u>82,189,809</u>	<u>77,800,975</u>	<u>1,831,381</u>	<u>79,632,356</u>

SEPARATE FINANCIAL STATEMENTS

“Unaudited”

	As at May 31, 2019			As at February 28, 2019		
	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000
	Hire-purchase receivable					
Hire-purchase and accrued interest receivable	306,654	816,772	1,123,426	251,154	570,270	821,424
<u>Less</u> Unearned financing income	(100,913)	(166,404)	(267,317)	(74,191)	(112,917)	(187,108)
	<u>205,741</u>	<u>650,368</u>	<u>856,109</u>	<u>176,963</u>	<u>457,353</u>	<u>634,316</u>
<u>Less</u> Allowance for doubtful accounts	(31,469)	-	(31,469)	(21,491)	-	(21,491)
Hire-purchase and accrued interest receivable - net	<u>174,272</u>	<u>650,368</u>	<u>824,640</u>	<u>155,472</u>	<u>457,353</u>	<u>612,825</u>
Loans receivable						
Loans and accrued interest receivable	43,369,579	9,675	43,379,254	41,788,870	29,093	41,817,963
<u>Less</u> Allowance for doubtful accounts	(1,787,998)	-	(1,787,998)	(1,696,792)	-	(1,696,792)
Loans and accrued interest receivable - net	<u>41,581,581</u>	<u>9,675</u>	<u>41,591,256</u>	<u>40,092,078</u>	<u>29,093</u>	<u>40,121,171</u>
Credit card receivable						
Credit card and accrued interest receivable	36,659,602	-	36,659,602	36,253,012	-	36,253,012
<u>Less</u> Allowance for doubtful accounts	(1,156,835)	-	(1,156,835)	(1,088,358)	-	(1,088,358)
Credit card and accrued interest receivable - net	<u>35,502,767</u>	<u>-</u>	<u>35,502,767</u>	<u>35,164,654</u>	<u>-</u>	<u>35,164,654</u>
Total trade receivables	<u>77,258,620</u>	<u>660,043</u>	<u>77,918,663</u>	<u>75,412,204</u>	<u>486,446</u>	<u>75,898,650</u>

5.2 Quality of assets

Trade receivables as at May 31, 2019 and February 28, 2019 classified by aging, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000	As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000
	Less than 3 months	82,844,792	80,229,545	78,579,572
3 months up	<u>2,407,073</u>	<u>2,282,779</u>	<u>2,315,393</u>	<u>2,217,783</u>
Total	85,251,865	82,512,324	80,894,965	78,705,291
<u>Less</u> Allowance for doubtful accounts	(3,062,056)	(2,879,968)	(2,976,302)	(2,806,641)
Total trade receivables	<u>82,189,809</u>	<u>79,632,356</u>	<u>77,918,663</u>	<u>75,898,650</u>

5.3 Troubled debt restructuring

For the three-month periods ended May 31, 2019 and 2018, the Company recognized interest income on restructured debts totaling Baht 85.40 million and Baht 90.35 million, respectively.

The Company had outstanding balances of credit card receivable, hire-purchase receivable and loans receivable as at May 31, 2019 and February 28, 2019, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	“Unaudited”			
	As at May 31, 2019		As at February 28, 2019	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured trade receivables	37,980	1,400,320	38,939	1,405,855
Non-restructured trade receivables	3,312,530	83,724,466	3,334,476	80,925,860
Total	<u>3,350,510</u>	<u>85,124,786</u>	<u>3,373,415</u>	<u>82,331,715</u>

	SEPARATE FINANCIAL STATEMENTS			
	“Unaudited”			
	As at May 31, 2019		As at February 28, 2019	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured trade receivables	37,952	1,393,853	38,904	1,398,483
Non-restructured trade receivables	2,969,199	79,501,112	3,027,374	77,306,808
Total	<u>3,007,151</u>	<u>80,894,965</u>	<u>3,066,278</u>	<u>78,705,291</u>

As at May 31, 2019 and February 28, 2019, 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 May 31, 2019 and February 28, 2019, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000	As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000
Beginning balance	2,879,968	2,415,692	2,806,641	2,356,958
Bad debts and doubtful accounts	1,394,636	5,284,541	1,329,523	5,087,827
Gain on devaluation of long-term borrowings under securitization project	-	-	39,316	132,828
Written-off bad debts	(1,212,548)	(4,820,265)	(1,199,178)	(4,770,972)
Ending balance	<u>3,062,056</u>	<u>2,879,968</u>	<u>2,976,302</u>	<u>2,806,641</u>

5.5 Transfers of financial assets

The Company entered into the Receivables Sale and Purchase Agreement with Special Purposes Vehicle Company, which was incorporated under the Civil and Commercial Code of Thailand to be special purpose vehicle (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 Agreement and Servicing Agreement.

Details of aforementioned sales of receivables are summarized as follows:

		ATS Rabbit*
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)
Initial sale of receivables		
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 in 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 project 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 project, the Company may repurchase the rights on the Purchased Receivables with ATS Rabbit in the following circumstances:

1. When the Company has breached its representations and warranties with respect to the Purchased Receivables which are ineligible. The Company is obliged to repurchase such ineligible receivables on the next Monthly Purchase Date.
2. The Company, as the collection agent, may exercise the Clean up Call Option for repurchase of remaining Purchased Receivables whenever the continued servicing of the Purchase Receivables is deemed to be burdensome.
3. The Company may exercise the Tax Redemption Option for repurchase of remaining Purchased Receivables, where there is incurred taxes other than corporate income tax and special business tax.

For the three-month periods ended May 31, 2019 and 2018, transactions relating to the transfers of financial assets under the securitization project are summarized as follows:

	2019	2018
	Million	Million
	Baht	Baht
Transfers of future and additional receivables (at book value)		
- Loans receivable (ATS Rabbit)	306	246
	<u>306</u>	<u>246</u>
Cash collection on behalf of a Special Purpose Vehicle		
- Loans receivable (ATS Rabbit)	326	289
	<u>326</u>	<u>289</u>
Servicing income on cash collection from a Special Purpose Vehicle		
- Loans receivable (ATS Rabbit)	23	19
	<u>23</u>	<u>19</u>

6. 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:

6.1 Investment in an associate in the consolidated financial statements

As at May 31, 2019 and February 28, 2019, the Company had investment in an entity, which is an associate and is accounted for using the equity method in the consolidated financial statements as follows:

CONSOLIDATED FINANCIAL STATEMENTS							
“Unaudited”							
			As at May 31, 2019		As at February 28, 2019		
	Paid-up capital	Ownership %	Cost method Baht '000	Equity method Baht '000	Cost method Baht '000	Equity method Baht '000	
Investment in an associate							
	ACS Trading Vietnam Company Limited	VND 50,000 million	20.00	16,819.3	37,163.6	16,819.3	38,095.9
Total investment in an associate				<u>16,819.3</u>	<u>37,163.6</u>	<u>16,819.3</u>	<u>38,095.9</u>

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

As at May 31, 2019 and February 28, 2019, the Company had investments in an associate and subsidiaries which are accounted for using the cost method in the separate financial statements as follows:

SEPARATE FINANCIAL STATEMENTS					
“Unaudited”					
		As at May 31, 2019		As at February 28, 2019	
	Ownership %	Cost Baht '000	Ownership %	Cost Baht '000	
Investments in an associate and subsidiaries					
Investment in an associate (see Note 19.1)					
	ACS Trading Vietnam Company Limited	20.00	<u>16,819.3</u>	20.00	<u>16,819.3</u>
Total investment in an associate			<u>16,819.3</u>		<u>16,819.3</u>
Investments in subsidiaries (see Note 19.1)					
	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	50.00	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
Total investments in subsidiaries			<u>1,028,011.1</u>		<u>1,028,011.1</u>
Total investments in an associate and subsidiaries			<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 still has the power to control over the subsidiary in accordance with the requirement of TFRS No.10 (Revised 2018) "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.

6.3 Long-term investments in related companies as at May 31, 2019 and February 28, 2019, consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	"Unaudited"			
	As at May 31, 2019		As at February 28, 2019	
Ownership	Cost	Ownership	Cost	
%	Baht '000	%	Baht '000	
Long-term investments in related companies				
AEON (Thailand) Co., Ltd. (340,000 shares of Baht 100 each, Baht 25 called up)	5.23	8,500	5.23	8,500
PT. AEON Credit Service Indonesia (173 shares of IDR 30 million each, par value of IDR 30 million, fully paid)	2.59	19,072	2.59	19,072
AEON Credit Service Systems (Philippines) Inc. (100,000 shares of PHP 100 each, par value of PHP 100, fully paid)	3.33	7,645	3.33	7,645
		<u>35,217</u>		<u>35,217</u>
<u>Less</u> Allowance for impairment of investment		<u>(15,772)</u>		<u>(15,145)</u>
Total long-term investments in related companies		<u>19,445</u>		<u>20,072</u>

7. SELLER LOAN IN SPECIAL PURPOSE VEHICLE FOR SECURITIZATION

Seller loan in Special Purpose Vehicle for securitization as at May 31, 2019 and February 28, 2019, are as follows:

	SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000
Seller loan in Special Purpose Vehicle for securitization (see Note 19.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	158,147	199,920
Total Seller loan in Special Purpose Vehicle for securitization	<u>158,147</u>	<u>199,920</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 sales 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 the determined level, or every 3-month period after the payment date as agreed in the agreement, whichever is earlier.

8. SUBORDINATED LENDINGS AND SUBORDINATED BORROWINGS

8.1 Subordinated lendings to Special Purpose Vehicle as at May 31, 2019 and February 28, 2019, are as follows:

	SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000
Subordinated lendings (see Note 19.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	84,074	84,074
Total subordinated lendings	<u>84,074</u>	<u>84,074</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 from ATS Rabbit 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.

8.2 Subordinated borrowings of Special Purpose Vehicle as at May 31, 2019 and February 28, 2019, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”	
	As at	As at
	May 31, 2019	February 28, 2019
	Baht '000	Baht '000
Subordinated borrowings		
ATS Rabbit Special Purpose Vehicle Company Limited (ATC Rabbit)	84,074	84,074
Total subordinated borrowings	<u>84,074</u>	<u>84,074</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.

9. DEFERRED TAX ASSETS

Deferred tax assets as at May 31, 2019 and February 28, 2019, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”		SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at	As at	As at	As at
	May 31, 2019	February 28, 2019	May 31, 2019	February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	601,219	567,388	595,260	561,328
Non-accrual of interest income	50,507	47,205	49,297	45,960
Allowance for impairment of investment and assets	12,137	12,012	12,137	12,012
Provisions for employee benefit	57,389	54,264	51,322	48,507
Deferred revenue from customer loyalty programs	55,189	48,870	50,759	44,351
Others	9,246	16,672	5,294	12,446
	<u>785,687</u>	<u>746,411</u>	<u>764,069</u>	<u>724,604</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	120,648	124,552	120,648	124,552
Others	117	209	-	-
	<u>120,765</u>	<u>124,761</u>	<u>120,648</u>	<u>124,552</u>
Deferred tax assets	<u>664,922</u>	<u>621,650</u>	<u>643,421</u>	<u>600,052</u>

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

CONSOLIDATED FINANCIAL STATEMENTS				
“Unaudited”				
	Balance as at February 28, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at May 31, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	567,388	33,831	-	601,219
Non-accrual of interest income	47,205	3,302	-	50,507
Allowance for impairment of investment and assets	12,012	125	-	12,137
Provisions for employee benefit	54,264	3,125	-	57,389
Deferred revenue from customer loyalty programs	48,870	6,319	-	55,189
Others	16,672	(7,426)	-	9,246
	<u>746,411</u>	<u>39,276</u>	<u>-</u>	<u>785,687</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	124,552	(3,904)	-	120,648
Others	209	(92)	-	117
	<u>124,761</u>	<u>(3,996)</u>	<u>-</u>	<u>120,765</u>
Deferred tax assets	<u>621,650</u>	<u>43,272</u>	<u>-</u>	<u>664,922</u>

CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at February 28, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
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 assets	3,029	8,983	-	12,012
Provisions for employee benefit	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>
Deferred tax liabilities				
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>
Deferred tax assets	<u>446,590</u>	<u>173,544</u>	<u>1,516</u>	<u>621,650</u>

	SEPARATE FINANCIAL STATEMENTS			
	“Unaudited”			
	Balance as at February 28, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at May 31, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	561,328	33,932	-	595,260
Non-accrual of interest income	45,960	3,337	-	49,297
Allowance for impairment of investment and assets	12,012	125	-	12,137
Provisions for employee benefit	48,507	2,815	-	51,322
Deferred revenue from customer loyalty programs	44,351	6,408	-	50,759
Others	12,446	(7,152)	-	5,294
	<u>724,604</u>	<u>39,465</u>	<u>-</u>	<u>764,069</u>
Deferred tax liabilities				
Unrealized loss on exchange rate of currency swap contracts	124,552	(3,904)	-	120,648
	<u>124,552</u>	<u>(3,904)</u>	<u>-</u>	<u>120,648</u>
Deferred tax assets	<u>600,052</u>	<u>43,369</u>	<u>-</u>	<u>643,421</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at February 28, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance as at February 28, 2019
	Baht '000	Baht '000	Baht '000	Baht '000
	Deferred tax assets			
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 assets	3,029	8,983	-	12,012
Provisions for employee benefit	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>
Deferred tax liabilities				
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>
Deferred tax assets	<u>428,198</u>	<u>170,056</u>	<u>1,798</u>	<u>600,052</u>

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

Bank overdrafts and short-term borrowings from financial institutions as at May 31, 2019 and February 28, 2019, consist of the following:

CONSOLIDATED FINANCIAL STATEMENTS				
“Unaudited”				
	As at May 31, 2019		As at February 28, 2019	
	Interest rate	Baht '000	Interest rate	Baht '000
	p.a. (%)		p.a. (%)	
Overdrafts in THB currency	1.95	1,030,902	1.95	640,163
Short-term borrowings in THB currency	1.85 - 2.30	5,190,000	1.85 - 2.30	4,050,000
Short-term borrowings in USD currency	3.30 - 3.76	1,471,011	3.24 - 3.78	1,141,518
Short-term borrowings in LAK currency	6.70	297,680	6.60 - 7.40	314,954
Short-term borrowings in MMK currency	11.70 - 12.50	1,150,968	11.70 - 12.50	953,568
Total		<u>9,140,561</u>		<u>7,100,203</u>

SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
	As at May 31, 2019		As at February 28, 2019	
	Interest rate	Baht '000	Interest rate	Baht '000
	p.a. (%)		p.a. (%)	
Overdrafts in THB currency	1.95	1,030,902	1.95	640,163
Short-term borrowings in THB currency	1.85 - 2.30	5,190,000	1.85 - 2.30	4,050,000
Total		<u>6,220,902</u>		<u>4,690,163</u>

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.

11. LONG-TERM BORROWINGS

As at May 31, 2019 and February 28, 2019, the Company entered into various long-term borrowings agreements in THB and foreign currencies as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
“Unaudited”				
	As at May 31, 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	10,234,798
Borrowings in USD currency	2019 - 2023	2.29 - 3.38	607.49	19,393,561
Borrowings in THB currency	2019 - 2024	2.44 - 3.41	13,400.00	13,400,000
<u>Less</u> Borrowings issuance cost				<u>(39,726)</u>
				42,988,633
<u>Less</u> Current portion of long-term borrowings				<u>(8,254,344)</u>
Total long-term borrowings				<u>34,734,289</u>

CONSOLIDATED FINANCIAL STATEMENTS

As at February 28, 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				(45,816)
				40,618,864
<u>Less</u> Current portion of long-term borrowings				(6,071,921)
Total long-term borrowings				34,546,943

SEPARATE FINANCIAL STATEMENTS

“Unaudited”

As at May 31, 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	10,234,798
Borrowings in USD currency	2019 - 2023	2.39 - 3.38	588.49	18,785,969
Borrowings in THB currency	2019 - 2024	2.44 - 3.41	13,400.00	13,400,000
<u>Less</u> Borrowings issuance cost				(39,726)
				42,381,041
<u>Less</u> Current portion of long-term borrowings				(8,158,408)
Total long-term borrowings				34,222,633

SEPARATE FINANCIAL STATEMENTS

As at February 28, 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				(45,816)
				39,999,182
<u>Less</u> Current portion of long-term borrowings				(5,974,076)
Total long-term borrowings				34,025,106

In the consolidated and separate financial statements as at May 31, 2019 and February 28, 2019, 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 1,471.55 million and JPY 5,000 million or equivalent to Baht 1,436.33 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 19.2.1).

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:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
As at May 31, 2019				
	Notional amount Baht '000	Carrying amount		Total Baht '000
		Within 1 year Baht '000	Over 1 - 5 years Baht '000	
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	5,197,000	79,976	155,940	235,916
USD currency	1,349,420	-	23,239	23,239
	<u>6,546,420</u>	<u>79,976</u>	<u>179,179</u>	<u>259,155</u>
Payables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	5,111,250	(103,280)	(206,088)	(309,368)
USD currency	18,211,700	(224,647)	(573,743)	(798,390)
	<u>23,322,950</u>	<u>(327,927)</u>	<u>(779,831)</u>	<u>(1,107,758)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2019				
	Notional amount Baht '000	Carrying amount		Total Baht '000
		Within 1 year Baht '000	Over 1 - 5 years Baht '000	
Receivables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	5,197,000	-	107,338	107,338
USD currency	716,220	-	11,537	11,537
	<u>5,913,220</u>	<u>-</u>	<u>118,875</u>	<u>118,875</u>
Payables per currency swap contracts				
Cross Currency Swap Contracts				
JPY currency	5,111,250	(138,140)	(284,871)	(423,011)
USD currency	18,943,130	(277,386)	(741,080)	(1,018,466)
	<u>24,054,380</u>	<u>(415,526)</u>	<u>(1,025,951)</u>	<u>(1,441,477)</u>

12. LONG-TERM BORROWINGS UNDER SECURITIZATION PROJECT

As at May 31, 2019 and February 28, 2019, 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 project (see Note 5.5) as long-term borrowings under securitization project in the separate financial statements in the amount of Baht 1,706.43 million and Baht 1,652.52 million, respectively.

13. LONG-TERM DEBENTURES

Long-term debentures represent unsubordinated and unsecured debentures as at May 31, 2019 and February 28, 2019, as follows:

Issue date	Maturity date	No. of units	Currency	Par value per unit	Amount	Interest rate p.a. (%)	Term of interest payment	"Unaudited"	
								As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000
Company									
28/03/2014	28/03/2019	30	USD	1,000,000	30,000,000	USD-LIBOR 6M	Semi-annual	-	949,248
27/03/2015	27/03/2019	22	JPY	100,000,000	2,200,000,000	JPY-TIBOR 6M + 0.36	Semi-annual	-	632,768
25/03/2016	25/03/2020	70	USD	1,000,000	70,000,000	USD-LIBOR 6M + 0.65	Semi-annual	2,234,560	2,214,912
28/03/2016	27/03/2020	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.50	Semi-annual	478,835	474,624
22/08/2016	20/08/2021	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.85	Semi-annual	478,835	474,624
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	957,669	949,248
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	2,000,000
15/11/2018	15/11/2021	800,000	THB	1,000	800,000,000	3.26	Semi-annual	800,000	800,000
								12,949,899	14,495,424
<u>Less</u> Debentures issuance cost								(24,931)	(29,886)
								12,924,968	14,465,538
<u>Less</u> Current portion of long-term debentures								(4,105,707)	(2,980,813)
Total long-term debentures in separate financial statements								8,819,261	11,484,725
ATS Rabbit Special Purpose Vehicle Company Limited									
29/09/2018	28/10/2025	1,473,082	THB	1,000	1,473,082,000	2.84	Monthly	1,473,082	1,473,082
Total long-term debentures in consolidated financial statements								10,292,343	12,957,807

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 "Unaudited" As at May 31, 2019			
Notional amount Baht '000	Carrying amount		Total Baht '000
	Within 1 year Baht '000	Over 1 - 5 years Baht '000	
Payables per currency swap contracts			
Cross Currency Swap Contracts			
USD currency	4,630,900	(314,305)	(166,696)
	<u>4,630,900</u>	<u>(314,305)</u>	<u>(166,696)</u>
	<u>4,630,900</u>	<u>(314,305)</u>	<u>(166,696)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS As at February 28, 2019			
Notional Amount Baht '000	Carrying amount		Total Baht '000
	Within 1 year Baht '000	Over 1 - 5 years Baht '000	
Receivables per currency swap contracts			
Cross Currency Swap Contracts			
JPY currency	596,860	35,908	-
	<u>596,860</u>	<u>35,908</u>	<u>-</u>
	<u>596,860</u>	<u>35,908</u>	<u>-</u>
Payables per currency swap contracts			
Cross Currency Swap Contracts			
USD currency	5,605,900	(25,752)	(517,492)
	<u>5,605,900</u>	<u>(25,752)</u>	<u>(517,492)</u>
	<u>5,605,900</u>	<u>(25,752)</u>	<u>(517,492)</u>

14. PROVISIONS FOR EMPLOYEE BENEFIT

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

For the three-month periods ended May 31, 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 2019 Baht '000	FINANCIAL STATEMENTS 2018 Baht '000	FINANCIAL STATEMENTS 2019 Baht '000	FINANCIAL STATEMENTS 2018 Baht '000
Past service cost	-	9,140	-	9,140
Current service cost	13,636	10,177	12,253	7,938
Interest cost	1,988	1,319	1,825	1,042
Total	<u>15,624</u>	<u>20,636</u>	<u>14,078</u>	<u>18,120</u>

Movements in the present value of the provisions for post-employment benefit for the three-month periods ended May 31, 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	271,321	151,930	242,534	105,193
Past service cost	-	9,140	-	9,140
Current service cost	13,636	10,177	12,253	7,938
Interest cost	1,988	1,319	1,825	1,042
Benefits transferred	-	-	-	28,316
Ending balance	<u>286,945</u>	<u>172,566</u>	<u>256,612</u>	<u>151,629</u>

The significant actuarial assumptions used to calculate the provisions under the defined benefit plans as at May 31, 2019 and February 28, 2019, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	“Unaudited”	
	As at May 31, 2019	As at February 28, 2019
	% per annum	% per annum
Financial assumptions		
Discount rate	2.72 - 3.01	2.72 - 3.01
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 - 31.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 52.0	0.0 - 52.0
	Subject to range of age of employees	Subject to range of age of employees
Temporary staff	0.0 - 43.0	0.0 - 43.0
	Subject to range of age of employees	Subject to range of age of employees

	SEPARATE FINANCIAL STATEMENTS	
	“Unaudited”	
	As at May 31, 2019	As at February 28, 2019
	% per annum	% per annum
Financial assumptions		
Discount rate	3.01	3.01
Expected rate of salary increase	6.0	6.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 19.0	0.0 - 19.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 52.0	0.0 - 52.0
	Subject to range of age of employees	Subject to range of age of employees

15. SHAREHOLDERS' EQUITY

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.

16. REVENUES RELATING TO SECURITIZATION TRANSACTION

For the three-month periods ended May 31, 2019 and 2018, revenues relating to securitization transaction incurred from sales of rights in loans receivable to ATS Rabbit Special Purpose Vehicle Company Limited are included in the presentation of Loan Income as follows:

	SEPARATE FINANCIAL STATEMENTS	
	For the three-month	
	periods ended May 31,	
	2019	2018
	Baht '000	Baht '000
Loan income (see Note 19.2.2)		
Interest income from subordinated lendings	2,543	2,179
Revenue from seller loan in Special Purpose Vehicle	5,465	1,275
Dividend from investment in Special Purpose Vehicle	10,566	10,389
Servicing income	22,865	18,970
Total	<u>41,439</u>	<u>32,813</u>

17. DIRECTORS AND MANagements' 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 monetary remuneration as salaries and bonus paid to the Company's management.

For the three-month periods ended May 31, 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 benefit				
Directors' remuneration	9,314	8,778	5,750	4,800
Managements' remuneration	30,077	33,723	17,503	19,034
Post-employment benefit	1,382	1,088	930	655
Total	<u>40,773</u>	<u>43,589</u>	<u>24,183</u>	<u>24,489</u>

For the three-month periods ended May 31, 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 21, 2019 and June 22, 2018, respectively.

18. CORPORATE INCOME TAX

The Company and its local subsidiaries used tax rate of 20% for corporate income tax and deferred tax calculations for the three-month periods ended May 31, 2019 and 2018. The foreign subsidiaries used 20% - 25% for corporate income tax and deferred tax calculations for the three-month periods ended May 31, 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 three-month periods ended May 31, 2019 and 2018, income tax expense consists of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the period	297,975	263,134	261,641	244,844
Deferred income tax revenue	(43,272)	(30,209)	(43,369)	(36,216)
Income tax expense per statements of profit or loss	<u>254,703</u>	<u>232,925</u>	<u>218,272</u>	<u>208,628</u>

Reconciliations of effective tax rates for the three-month periods ended May 31, 2019 and 2018, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS		
For the three-month		
periods ended May 31,		
	2019	2018
	Baht '000	Baht '000
Accounting profit before income tax	1,271,514	1,170,938
Permanent differences	(18,601)	(16,335)
Temporary differences	217,699	152,851
Taxable profit	<u>1,470,612</u>	<u>1,307,454</u>
Normal income tax rate (%)	20.00 - 25.00	20.00 - 25.00
Income tax for the period currently payable	297,975	263,134
Deferred tax from temporary differences	(43,272)	(30,209)
Income tax expense per statements of profit or loss	<u>254,703</u>	<u>232,925</u>
Effective tax rate (%)	20.03	19.89
 SEPARATE FINANCIAL STATEMENTS		
For the three-month		
periods ended May 31,		
	2019	2018
	Baht '000	Baht '000
Accounting profit before income tax	1,206,600	1,235,072
Permanent differences	(18,492)	(31,527)
Temporary differences	216,845	181,080
Income that is exempt from taxable	(96,748)	(160,405)
Taxable profit	<u>1,308,205</u>	<u>1,224,220</u>
Normal income tax rate (%)	20.00	20.00
Income tax for the period currently payable	261,641	244,844
Deferred tax from temporary differences	(43,369)	(36,216)
Income tax expense per statements of profit or loss	<u>218,272</u>	<u>208,628</u>
Effective tax rate (%)	18.09	16.89

19. TRANSACTIONS WITH RELATED PARTIES

The consolidated and separate financial statements include certain transactions with the subsidiaries, an 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, the associate and the related parties which are as follows:

19.1 Investments in an associate and subsidiaries (see Note 6.2) as at May 31, 2019 and February 28, 2019, are as follows:

Related parties	Relationship	SEPARATE FINANCIAL STATEMENTS					
		"Unaudited"					
		As at May 31, 2019			As at February 28, 2019		
		Ownership	Paid-up	Cost	Ownership	Paid-up	Cost
%	capital		%	capital			
		Baht '000	Baht '000		Baht '000	Baht '000	
Investments in an associate and subsidiaries							
Investment in an associate							
ACS Trading Vietnam Company Limited	Associate	20.00	84,096.3	16,819.3	20.00	84,096.3	16,819.3
Total investment in an associate				<u>16,819.3</u>			<u>16,819.3</u>
Investments in subsidiaries							
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	50.00	643,720.4	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>
Total investments in an associate and subsidiaries				<u><u>1,044,830.4</u></u>			<u><u>1,044,830.4</u></u>

19.2 Business transactions with related parties

19.2.1 Balances with related parties as at May 31, 2019 and February 28, 2019, are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		“Unaudited” As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000	“Unaudited” As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000
Other receivables					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	54,306	59,931
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	1,738	2,135
AEON Financial Service Co., Ltd.	Major shareholder	1,276	1,081	413	187
ACS Capital Corporation Limited	Shareholder and one common director	715	887	13	17
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	427	1,092
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	47,973	44,520
AEON Microfinance (Myanmar) Company Limited	Subsidiary	-	-	-	12
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	-	8
ACS Trading Vietnam Company Limited	Associate	10	30	10	10
AEON (Cambodia) Company Limited	Common ultimate holding company	-	72	-	-
AEON Mall (Cambodia) Company Limited	Common ultimate holding company	-	1,791	-	-
		<u>2,001</u>	<u>3,861</u>	<u>104,880</u>	<u>107,912</u>
Seller loan in Special Purpose Vehicle for securitization (see Note 7)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	158,147	199,920
Subordinated lendings (see Note 8.1)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	84,074	84,074
Long-term borrowings (see Note 11)					
AEON Bank Ltd.	Common ultimate holding company	1,471,550	1,436,331	1,471,550	1,436,331
Trade payables					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	391	610
Other payables					
AEON Insurance Service (Thailand) Company Limited	Subsidiary	-	-	17,862	11,692
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	68,766	68,788
AEON (Thailand) Company Limited	Shareholder and two common directors	519	1,434	519	1,434
AEON Financial Service Co., Ltd.	Major shareholder	17,925	154,882	15,725	62,680
AEON Credit Service Company Limited	Common ultimate holding company	8,801	7,024	7,188	3,387
AEON Credit Service Systems (Philippines) Inc.	Holding shares	218,767	244	338	189
AEON Bank Ltd.	Common ultimate holding company	4,872	1,864	4,623	1,271
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	3,685	3,630	-	-
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	62,074	71,558
AEON ASIA SDN. BHD.	Common ultimate holding company	-	193	-	193
		<u>254,569</u>	<u>169,271</u>	<u>177,095</u>	<u>221,192</u>

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		“Unaudited” As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000	“Unaudited” As at May 31, 2019 Baht '000	As at February 28, 2019 Baht '000
Long-term borrowings under securitization project (see Note 12)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,706,426	1,652,515
Deposit received					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	5,571	5,266
Deferred revenue					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	416	27,689

19.2.2 Transactions with related parties for the three-month periods ended May 31, 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
Sales promotion income					
AEON Insurance Services (Thailand) Company Limited	Subsidiary	-	-	563	1,725
Credit card income					
AEON Insurance Services (Thailand) Company Limited	Subsidiary	-	-	92,952	84,246
Revenue relating to securitization transaction (including in loan income) (see Note 16)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	41,439	32,813
Dividend income					
AEON Insurance Services (Thailand) Company Limited	Subsidiary	-	-	62,500	55,000
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	23,680	95,016
		<u>-</u>	<u>-</u>	<u>86,180</u>	<u>150,016</u>
Other income					
ACS Capital Corporation Limited	Shareholder and one common director	838	1,400	600	1,400
AEON Insurance Services (Thailand) Company Limited	Subsidiary	-	-	12,559	13,494
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	965	966
		<u>838</u>	<u>1,400</u>	<u>14,124</u>	<u>15,860</u>
Operating and administrative expenses					
Collection service fee					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	118,158	80,428
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	2,518	2,673
		<u>-</u>	<u>-</u>	<u>120,676</u>	<u>83,101</u>

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
		Baht '000	Baht '000	Baht '000	Baht '000
Finance costs					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	109,760	91,601
AEON Bank Ltd.	Common ultimate holding company	2,779	2,834	2,779	2,834
AEON Financial Service Co., Ltd.	Major shareholder	538	280	-	-
		<u>3,317</u>	<u>3,114</u>	<u>112,539</u>	<u>94,435</u>
Others					
AEON Financial Service Co., Ltd.	Major shareholder	26,180	25,102	22,146	22,077
AEON Credit Service Company Limited	Common ultimate holding company	9,984	11,824	3,801	4,214
AEON (Thailand) Company Limited	Holding shares and two common directors	5,626	2,995	5,626	2,995
AEON Insurance Services (Thailand) Company Limited	Subsidiary	-	-	-	5,506
AEON Credit Service Systems (Philippines) Inc.	Holding shares	3,475	2,454	1,052	1,387
AEON Bank Ltd.	Common ultimate holding company	573	744	573	744
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	3,518	1,623
AEON Credit Service (Asia) Company Limited	Common ultimate holding company	683	647	-	-
		<u>46,521</u>	<u>43,766</u>	<u>36,716</u>	<u>38,546</u>

- Other income for the three-month periods ended May 31, 2019 and 2018 include the computer fee charged to ACS Capital Corporation Limited at the rate of Baht 1,000,000 per month from 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 transaction are determined by the Company and its subsidiary 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 is determined by the Company and related parties based on the cost plus basis.
- Purchase price of computer programs paid to AEON Credit Service Systems (Philippines) Inc. is as specified in the agreement.

20. 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 between segments are eliminated on consolidation.

The segment information of the Group was classified by business segment as follows:

20.1 Operating results classified by business for the three-month periods ended May 31, 2019 and 2018, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				
	2019				
	Retail finance services		Other businesses	Elimination	Total
	Domestic	Foreign	Domestic		
Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	
Revenues					
Revenue from external customers	4,903,983	305,537	284,299	-	5,493,819
Inter - segment revenues	193,218	-	110,107	(303,325)	-
	<u>5,097,201</u>	<u>305,537</u>	<u>394,406</u>	<u>(303,325)</u>	<u>5,493,819</u>
Expenses					
Operating and administrative expenses	1,988,116	149,564	304,452	(201,398)	2,240,734
Directors and managements' remuneration	24,184	9,886	6,703	-	40,773
Bad debts and doubtful accounts (reversal)	1,368,839	25,803	(6)	-	1,394,636
Loss on impairment of investment	627	-	-	-	627
Loss on sale and write-off of leasehold improvement and equipment and intangible assets	750	57	-	-	807
Finance costs	492,237	51,552	7	-	543,796
Total expenses	<u>3,874,753</u>	<u>236,862</u>	<u>311,156</u>	<u>(201,398)</u>	<u>4,221,373</u>
Share of loss from investment in an associate	-	-	-	(932)	(932)
Profit before income tax	1,222,448	68,675	83,250	(102,859)	1,271,514
Income tax expense	223,556	14,418	16,729	-	254,703
Net profit for the period	<u>998,892</u>	<u>54,257</u>	<u>66,521</u>	<u>(102,859)</u>	<u>1,016,811</u>

CONSOLIDATED FINANCIAL STATEMENTS					
2018					
	Retail finance services		Other businesses	Elimination	Total
	Domestic Baht '000	Foreign Baht '000	Domestic Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	4,580,543	172,608	263,312	-	5,016,463
Inter - segment revenues	250,447	-	232,195	(482,642)	-
	<u>4,830,990</u>	<u>172,608</u>	<u>495,507</u>	<u>(482,642)</u>	<u>5,016,463</u>
Expenses					
Operating and administrative expenses	1,840,595	109,013	428,185	(333,558)	2,044,235
Directors and managements' remuneration	24,489	9,882	9,218	-	43,589
Bad debts and doubtful accounts (reversal)	1,192,963	13,049	(582)	-	1,205,430
(Gain) loss on sale and write-off of leasehold improvement and equipment and intangible assets	588	1	(6,809)	7,873	1,653
Finance costs	521,700	29,717	323	-	551,740
Total expenses	<u>3,580,335</u>	<u>161,662</u>	<u>430,335</u>	<u>(325,685)</u>	<u>3,846,647</u>
Share of profit from investment in an associate	-	-	-	1,122	1,122
Profit before income tax	1,250,655	10,946	65,172	(155,835)	1,170,938
Income tax expense	213,823	5,122	13,980	-	232,925
Net profit for the period	<u>1,036,832</u>	<u>5,824</u>	<u>51,192</u>	<u>(155,835)</u>	<u>938,013</u>

20.2 Financial positions classified by business are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
"Unaudited"					
As at May 31, 2019					
	Retail finance services		Other businesses	Elimination	Total
	Domestic Baht '000	Foreign Baht '000	Domestic Baht '000	Baht '000	Baht '000
Trade and other receivables	78,543,143	4,258,730	310,223	(190,699)	82,921,397
Leasehold improvement and equipment and intangible assets	1,332,092	205,218	71,480	(7,972)	1,600,818
Other assets	6,123,239	201,345	1,018,995	(1,021,746)	6,321,833
Total assets	<u>85,998,474</u>	<u>4,665,293</u>	<u>1,400,698</u>	<u>(1,220,417)</u>	<u>90,844,048</u>
Total liabilities	<u>67,551,847</u>	<u>3,754,218</u>	<u>396,284</u>	<u>(232,499)</u>	<u>71,469,850</u>

CONSOLIDATED FINANCIAL STATEMENTS					
As at February 28, 2019					
	Retail finance services		Other businesses	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>

21. CREDIT FACILITIES AND LETTER OF GUARANTEE

- 21.1 As at May 31, 2019 and February 28, 2019, the Company has unused committed and unsecured revolving credit facility agreements with various financial institutions totaling Baht 3,000 million.
- 21.2 As at May 31, 2019 and February 28, 2019, the Company has unused and unsecured overdraft facilities with various banks totaling Baht 2,059 million and Baht 2,440 million, respectively.
- 21.3 As at May 31, 2019 and February 28, 2019, 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.
- 21.4 As at May 31, 2019 and February 28, 2019, two subsidiaries have letters of guarantee issued by banks in the amounts of Baht 5.83 million.

22. SALE OF WRITTEN-OFF RECEIVABLES

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 0.77 million as bad debt recovery in the consolidated and separate statements of profit or loss for the three-month period ended May 31, 2019, and recorded outstanding deferred revenue of Baht 26.46 million as other current liabilities in the separate statements of financial position as at May 31, 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 will be entitled to the right to first negotiate with the buyer with regard to a purchase of the portfolio before any third party. If the negotiation could not be concluded within three months or the Company decided not to make a purchase, the buyer might sell such loans receivable to a third party.

23. EVENT AFTER THE REPORTING PERIOD

On June 21, 2019, the Annual General Meeting of Shareholders had the resolutions to approve the declaration of final dividends for the fiscal year 2018 at the rate of Baht 2.35 per share, totaling Baht 587.50 million, which will be paid to all shareholders on July 18, 2019 in addition to the interim dividends which had been paid to the shareholders at Baht 2.35 per share, totaling Baht 587.50 million on November 1, 2018.

24. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issue by the Company's authorized director and the Audit Committee on July 3, 2019.

(Translation)

No.18/2019

July 5, 2019

President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 8/2019

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby report the resolutions passed at the meeting of the Board of Directors No. 8/2019 held on July 5, 2019 from 10:00 a.m. as follows:

1. Unanimously approved the reviewed financial statements of the Company for the first quarter ended May 31, 2019.
2. Approved an increase registered capital in Company's subsidiary, AEON Microfinance (Myanmar) Co., Ltd. with the capital injection of 5.8 million USD or approximately 9,000 million Kyats (180 million baht). The source of fund is mainly from the Company's working capital, and the Company still maintains 100% of shareholding in AEON Myanmar.

AEON Microfinance (Myanmar) Co., Ltd., a retail finance business in Myanmar established in November 2012, is now under the process of business expansion in high potential market. At present, AEON Microfinance (Myanmar) Co., Ltd. has a registered of 8,260 million Kyats, and will increase its registered capital to be 17,260 million Kyats. The capital injection shall be used for both further business expansion from rapidly growth of demand for loans and comply with the new requirement of D/E ratio issued by Financial Regulatory Department (FRD) in Myanmar.

Details of Capital Injection:

(Unit: Share)

Shareholder	Current Capital		Capital Injection	After Capital Injection	
AEON Thana Sinsap (Thailand) Public Company Limited	8,259,600	100%	9,000,000	17,259,600	100%
ACS Capital Corporation Limited	1	0%	-	1	0%
Total	8,259,601	100%	9,000,000	17,259,601	100%

*Par value of 1,000 Kyats per share

The transaction is not considered as a connected transaction, according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions, and not considered as acquisition of assets, according to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets.

3. Approved the related transactions with the related companies (Details as attachment)

Please be informed accordingly

Yours sincerely,

Kenji Fujita
Managing Director

Connected transactions

The Board of Director's meeting of AEON Thana Sinsap (Thailand) PLC. No.8/2019 held on July 5, 2019 had a resolution of the connected transaction as follows:

1. Date of agreement:

1.1 Selling shares of AEON Credit Service Systems (Philippines)

Company	Date of agreement
AEON Credit Service Systems (Philippines) INC. ("AEON Systems")	Within August 2019 (After the Board of Director of AEON Thana Sinsap (Thailand) PLC approval)

1.2 Business Administration and Support

Company	Date of agreement
AEON Financial Service Co., Ltd. ("AFS")	Agreement period is 11 months from April 1, 2019 to February 28, 2020.

2. Contractual parties with AEON Thana Sinsap (Thailand) PLC. ("AEONTS") and its subsidiaries companies:

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

3. AEONTS's subsidiaries:

Company	Business	% of shares held by AEONTS
1). AEON Specialized bank (Cambodia) Private Company Limited ("ASB Cambodia")	Specialized bank	50%
2). AEON Insurance Service (Thailand) Company Limited ("AIS")	Non-life and Life Insurance Broker	100%
3). ACS Servicing (Thailand) Company Limited ("ACSS")	Collection Service	100%
4.) AEON Microfinance (Myanmar) Company Limited ("AMF Myanmar")	Retail Finance	100%
5.) AEON Leasing Service (Lao) Company Limited ("ALS Lao")	Retail Finance	92.58%

4. General characteristics of transactions:

1. AEON Credit Service Systems (Philippines) (“AEON Systems”) has started the system development business in 2007 with share capital of 100,000,000 PHP, AEONTS held 10% of share portion. Since the capital injection in 2016 was raised the capital to 300,000,000 PHP. The Board of Director’s meeting of AEONTS held on August 26, 2016, had resolution to waive of pre-emptive rights of new shares. As a result, the portion of shareholding of the Company decreased from 10% to 3.3%, respectively.

The Board of Director’s Meeting No. 8/2019 held on July 5, 2019 had considered and approved selling the shares of AEON Systems to AFS with the book value as of December 31, 2018 in the amount of 753,850 PHP (equivalent to 460,301 baht). Since AEON Systems is system development business, which is not directly related to AEONTS is main business.

- The structure of shares (before and after selling the shares)

Shareholder	Current			After		
	No of Shares	Capital (PHP)	%	No of Shares	Capital (PHP)	%
AFS	2,699,993	2,699,993,000	90%	2,999,993	2,999,993,000	100%
ACSA	100,000	100,000,000	3.33%	0	0	0%
AEONTS	100,000	100,000,000	3.33%	0	0	0%
ACSM	100,000	100,000,000	3.33%	0	0	0%
Other Individual Investors	7	7,000	0.00%	7	7,000	0%
Total	3,000,000	3,000,000,000	100%	3,000,000	3,000,000,000	100%

Note: ACSA – AEON Credit Service (Asia) Co., Ltd, Hong Kong

ACSM – AEON Credit Service (M) Berhad, Malaysia

The transaction size is neither classified as any transaction class under the Notification of the Capital Market Supervisory Board No. Tor Chor. 20/2551 Re: Rules for Entering into a Substantial Transaction Classified as an Acquisition or Disposal of Assets, dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Required Practice for Listed Companies relating to Acquisition or Disposal of Assets, dated 29 October 2004. In addition, during the past six months, the Company did not have any other acquisition transactions of other assets before the date of entry into this transaction.

The transaction is the connected transaction under the Notification of the Capital Market Supervisory Board No. Thor Chor. 21/2551 Re: Rules on Connected Transactions, dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transaction, dated 19 November 2003. However, the Company is required to disclose the aforementioned information to the Stock Exchange of Thailand in accordance with the Notification of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company.

2. AFS provides the business administration and support to the overseas subsidiaries in order to grow and develop AFS subsidiaries' business. AEONTS and its subsidiaries enter into "Business Administration Agreement" and pay management fee to AFS in the amount not more than 92,582,570 baht. This amount was calculated based on the cost (labor cost, administration cost, equipment cost etc.) of AFS who works for subsidiaries including overseas business, and the cost is allocated to the subsidiaries of AFS group.

5. Value of consideration:

(Unit: Baht)

Related company name	Amount
Selling shares of AEON Systems	
AEON Systems	460,301
Business Administration Agreement	
AEONTS	78,758,950
ACSS	3,531,470
AIS	2,728,740
ASB Cambodia	4,024,670
AMF Myanmar	2,932,480
ALS Lao	606,260
Total	92,582,570
Total transaction	93,042,871

6. Name, position and shareholding proportion of the connected persons

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

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

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

The measurement of total transactions

By measurement in percentage of the Company Net Tangible Assets (NTA), total transaction is 93.04 million baht or 0.51% which more than 0.03% but less than 3.00% of NTA of the Company. So this transaction is the connected transaction pursuant to the Notifications which shall be approved by Audit Committee and Board of Director as well as disclose to the Stock Exchange of Thailand.

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

- Board of Director's meeting No. 01/2019 held on January 10, 2019, approved to engage outsourcing service agreement in the system development and maintenance of the systems which need for each company's from AEON Systems with cost of totally not more than 60.56 million baht or 0.36% of the company NTA.

- Board of Director's meeting No. 04/2019 held on March 21, 2019, approved to the provides the support on the business operation to ACS Capital and receives support fee for the amount of totally not more than 1.2 million baht and ACSS provides the support on debt collection and litigation operations to ACS Capital and receives support fee for the amount of totally not more than 9 million baht. Total transaction amount of the transaction is 10.20 million baht or 0.06% of the company NTA.

Therefore, the total connected transaction approved by the Board of Directors' meeting in the last six months period including this time was 163.80 million baht or 0.93% which more than 0.03% of the Company NTA but less than 3% of NTA of the Company.

Opinion of the Audit Committee:

- For the selling shares of AEON Systems, the Audit Committee has considered and resolved that the transaction would be approved due to AEON Systems is system development business, which is not directly related to AEONTS is main business and be proposed to the Board of Directors for further approval.

- For the management fee, the Audit Committee has considered and resolved that the transaction is reasonable and be proposed to the Board of Directors for further approval.

Opinion of the Board of Director:

The Board of Directors has considered the transaction and has opinion that the selling shares of AEON Systems and management fee are necessary and reasonable.

Management Discussion and Analysis

For the 1st Quarter 2019 ended May 31, 2019

AEON Thana Sinsap (Thailand) Public Company Limited (“the Company”) has already submitted the consolidated reviewed the 1st quarter financial statements as of May 31, 2019 which were reviewed by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The Company has net profit attributed to owners of the parent of 987 million baht or 3.95 baht per share, showing a record growth rate of 6% y-y and 21% q-q. The financial performance can be summarized as follows.

Overview

The Thai economy in the first quarter of 2019 expanded by 2.8%, compared to a growth of 3.6% in the previous quarter, according to data from Bank of Thailand and NESDB. This was mainly from contraction of export sector as global consumer demand weakened. The tourism sector and private consumption grew at a slower pace. On the other hand, the personal loan of commercial banks and domestic demand continued to expand driven mainly by improving of agricultural sector and government measures to support low-income households.

As of May 31, 2019, the Company’s total cards reached 8.63 million cards (including 2.68 million credit cards and 5.95 million member cards), the net increasing of 110,800 cards from February 28, 2019. Covering networks nationwide, the Company has 105 branches increased 1 branch from previous quarter, 438 ATMs, and over 6,307 member dealers to provide quality financial services to AEON cardholders.

Operating Results

Revenues

In the first quarter of 2019, the total consolidated revenues were 5,494 million baht, showing an increase of 477 million baht or 10% y-y and 4% q-q. This was mainly contributed from an increase in core business revenues that increased by 8% y-y and 4% q-q and other incomes in bad debt recovery increased by 38% y-y and 10% q-q as well as revenue growth from overseas subsidiaries by 77% y-y. The revenues for the Company were 5,139 million baht, increasing by 275 million baht or 6% y-y. As of May 31, 2019, The Company has active customers more than 2 million IDs, mainly from Bangkok 31%, and in up-country 69%. Details of each business can be described as follows:

- Credit Card

Credit cards turnover shared 63% of total turnovers. In the first quarter of 2019, the consolidated revenues from credit card were 1,867 million baht, showing an increase of 13 million baht or 1% y-y, and represented 34% of total revenues. The Company continues to expand its customer base by launching new privileges and campaigns to AEON credit cardholders. For example, the Company partnered with Amazon Café to offer discount 20 baht for all coffee menus and launched campaign “AEON Shop More Get More” to offer “Cash Back” up to 30,500 baht for AEON JCB cardholders who spend according to terms and conditions. For AEON Royal Orchid Plus Platinum cardholders, the Company launched campaign “Explore Hokkaido” by offering Thai Airways round trip ticket to Hokkaido, Japan. In addition, AEON Specialized Bank (Cambodia) Plc expanded credit card revenue of 15 million baht in the first quarter of 2019, grew by 154% y-y.

- Loans

In the first quarter of 2019, loans shared 30% of total turnovers (shared 25% from personal loan and 5% from purposed loan for mobile phone, IT products, electrical appliances and etc. at department stores and over 6,307 dealers nationwide) with the consolidated revenues of 2,920 million baht, showing an increase of 316 million baht or 12% y-y and 5% q-q, and shared 53% of total revenues. This was contributed from loan income from AEON Microfinance (Myanmar) Company Limited of 88 million baht, which grew by 53% y-y and AEON Specialized Bank (Cambodia) PLC of 55 million baht, grew by 122% y-y. In addition, the Company has been expanding more service channels providing more convenience to customers and this also saved the Company’s operation cost. After the Cardless withdrawal service was launched in the fourth quarter of 2018, the Cardless transactions from both AEON and KBank ATMs have increased to 13% of total personal loan sales.

- Motorcycle and Used Car Hire Purchase

In the first quarter of 2019, motorcycle and used car hire purchase in Thailand and electrical appliances, mobile phone and etc. in oversea business, sharing 3% of total turnovers. The consolidated revenues from hire purchase were 148 million baht, showing an increase of 57 million baht or 63% y-y and 14% q-q. This was a result from used car business that increased more than 12 times from last year. In addition, the Company had hire purchase income from AEON Specialized Bank (Cambodia) PLC of 95 million baht, increasing by 83% y-y and AEON Leasing Service (Lao) Company Limited of 29 million baht, increasing by 30% y-y. However, the Company has continued launching promotions with motorcycle manufacturers and suppliers, as well as increased distribution channels for motorcycle sales through our branches. The Company also launched the AEON Auto Loan website, which collects information on high-quality used cars inspected by Goo Inspection, a leading car inspection service provider in Japan.

- **Other**

In the first quarter of 2019, other incomes were 559 million baht, showing an increase of 91 million baht or 20% y-y and represented 10% of total revenues. This was as a result of an increase in bad debt recovery from 170 million baht to 234 million baht, which grew by 38% from the same period last year. Moreover, the income for the first quarter of 2019 of company's subsidiaries in Thailand, the Company had commission income from AEON Insurance Service (Thailand) Co., Ltd. of 133 million baht, increasing by 6% y-y, and collection service income from ACS Servicing (Thailand) Co., Ltd. of 67 million baht, increasing by 5% y-y,

Expenses

The Company's expenses mainly consist of operating and administrative expenses, bad debt and doubtful accounts and finance cost. In the first quarter of 2019, the Company had total consolidated expenses of 4,221 million baht, an increase of 375 million baht or 10% y-y. Details of expenses are shown as follows:

- **Operating and Administrative Expenses**

In the first quarter of 2019, the operating and administrative from consolidated expenses were 2,283 million baht, an increase of 194 million baht or 9% y-y. This was as a result of an increase in marketing expenses by 16% y-y and personal expense by 15% y-y, resulting from oversea subsidiaries due to their business expansions, while personal expense of the Company increased by only 5% y-y. In terms of proportion to total revenues, operating and administrative expenses represented 42% of total revenues, which is the same level as last year. Considering the Company's separate financial statement, the operating and administrative expenses as a percentage of revenues represented 39% in the first quarter of 2019.

- **Bad debt and Doubtful accounts**

In the first quarter of 2019, the Company posted bad debt and doubtful accounts of 1,395 million baht, an increase of 189 million baht or 16% y-y but decreased by 2% q-q. This was as a result of an increase in total outstanding, especially personal loan product. However, the Company has continued improving efficiency in debt collection and credit judgment.

- **Finance Cost**

In the first quarter of 2019, the Company had finance cost of 544 million baht, a decrease of 8 million baht or 1% y-y and increased by 2% q-q. However, finance cost in the first quarter of 2019 accounted for 10% of total revenues, slightly decreased from 11% in the previous year. This was because the Company's policy is to manage liquidity risk and interest rates fluctuation risk by mainly locking in long-term borrowing, represented 68% of total borrowing as well as reduce interest rate paid to ATS Rabbit Special Purpose Vehicle Company Limited from 4% to 2.84%. As a result, the weighted average funding cost in the first quarter of 2019 was 3.04%, decreased from 3.36% in the first quarter of 2018.

Net Profit

In the first quarter of 2019, the Company had consolidated operating income of 1,272 million baht, an increase of 101 million baht or 9% y-y and reported net profit attributed to owners of the parent of 987 million baht, an increase of 59 million baht or 6% y-y and 21% q-q, and earning per share (EPS) was 3.95 baht. The key drivers were mainly from an increase in core business revenues, continued growth of bad debt recovery, and continued success to control the operation cost and finance cost as well as a strong growth from both domestic and overseas businesses, respectively.

Financial Status

Total Assets

As of May 31, 2019, consolidated total assets were 90,844 million baht, an increase of 3,723 million baht or 4% from 87,121 million baht as of February 28, 2019. The main assets were attributed to the portfolio of net account receivables which shared 90% of total assets.

- Accounts Receivable

The Company had gross accounts receivable of 85,252 million baht (both current assets and non-current assets) as of May 31, 2019, an increase of 3% from the fiscal year 2018. This can be categorized by business type as follows: credit card receivable of 37,067 million baht increasing by 1% y-y, loans receivable of 45,446 million baht increasing by 4% y-y, hire purchase receivable of 2,611 million baht increasing by 23% y-y and others receivable of 127 million baht.

- Allowance for doubtful accounts

As of May 31, 2019, the Company provided allowance for doubtful accounts of 3,062 million baht or 3.59% of total accounts receivable, comparing to that of 2,880 million baht or 3.49% of total accounts receivable at the end of previous fiscal year. The percentage account receivable 3 months overdue or non-performing loan ratio was 2.82%. The coverage ratio of allowance for doubtful accounts to accounts receivable overdue more than 3 months (NPLs) was maintained at 127% in the first quarter of 2019, which is the same level at the end of fiscal year 2018, reflecting the adequacy of the Company's provision for doubtful accounts.

Liabilities

The consolidated liabilities of the Company as of May 31, 2019 totaled 71,470 million baht, an increase of 2,737 million baht or 4% from 68,733 million baht at the end of fiscal year 2018. There were both short-term and long-term borrowings totally 66,528 million baht, increasing by 5% from the end of last year. The portion of long-term borrowings was 45,027 million baht or represented 68% of total borrowings.

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

Shareholders' Equity

As of May 31, 2019, total shareholders' equity amounted to 19,374 million baht, increasing by 986 million baht, or 5% over the end of fiscal year 2018. Consequently, Book value as of May 31, 2019 was 76.1 baht per share, increasing from that of 72.2 baht per share as of February 28, 2019.

Debt to Equity ratio as of May 31, 2019 was stable at 3.8 times. Return on Equity (ROE) and Return on Asset (ROA) equaled to 21.3% and 4.4%, increased from the end of fiscal year 2018 at 20.8% and 4.2%, respectively.