

**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, 2022, 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 5, 2022

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, 2022

UNIT : THOUSAND BAHT

UNIT: THOUSAND DOLLARS					
	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,
		2022	2022	2022	2022
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	4,320,516	4,235,603	2,807,729	2,639,136
Trade and other current receivables					
Trade receivables	5	78,911,187	76,839,427	76,166,665	73,982,280
Other receivables		467,870	518,100	374,995	412,773
Fixed deposits at banks under obligations		3,000	3,000	-	-
Current portion of long-term loan to a subsidiary	6	-	-	27,213	-
Seller loan in Special Purpose Vehicle					
for securitization	10	-	-	298,509	275,773
Current portion of derivative assets	17	407,002	82,380	407,002	82,380
Current tax assets		7,805	7,805	-	-
Other current assets		87,530	101,352	42,624	43,071
Total Current Assets		<u>84,204,910</u>	<u>81,787,667</u>	<u>80,124,737</u>	<u>77,435,413</u>
NON-CURRENT ASSETS					
Trade receivables	5	3,044,170	3,236,973	1,417,911	1,512,440
Fixed deposits at banks under obligations		41,015	41,333	-	-
Long-term loan to a subsidiary	6	-	-	108,853	130,244
Investments in subsidiaries	7	-	-	1,210,909	1,210,909
Investments in equity securities designated at fair value					
through profit or loss	8	5,062	5,062	5,062	5,062
Investment in equity securities designated at fair value					
through other comprehensive income	9	144,000	144,000	144,000	144,000
Subordinated lendings	11.1	-	-	84,074	84,074
Leasehold improvements and equipment		565,238	622,934	488,149	528,845
Right-of-use assets		842,202	611,069	784,916	538,356
Intangible assets other than goodwill		921,894	920,386	774,345	777,857
Derivative assets	17	708,077	293,795	708,077	293,795
Deferred tax assets	12	2,435,644	2,624,482	2,330,195	2,524,973
Other non-current assets		179,832	181,687	164,514	167,847
Total Non-current Assets		<u>8,887,134</u>	<u>8,681,721</u>	<u>8,221,005</u>	<u>7,918,402</u>
TOTAL ASSETS		<u>93,092,044</u>	<u>90,469,388</u>	<u>88,345,742</u>	<u>85,353,815</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, 2022

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,
		2022	2022	2022	2022
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	13	5,530,314	9,171,904	4,470,000	7,941,240
Trade and other current payables					
Trade payables		283,807	269,599	271,246	248,207
Other payables		1,592,674	1,628,020	1,494,524	1,550,316
Current portion of long-term liabilities					
Long-term borrowings	14	18,175,343	17,090,217	17,573,147	16,317,580
Long-term debentures	16	3,799,267	3,798,878	3,799,267	3,798,878
Derivative liabilities	17	302,213	654,801	302,213	654,801
Lease liabilities		383,442	356,328	348,816	312,304
Current income tax payable		521,263	379,519	476,894	348,000
Other current liabilities		387,253	387,092	394,467	394,973
Total Current Liabilities		<u>30,975,576</u>	<u>33,736,358</u>	<u>29,130,574</u>	<u>31,566,299</u>
NON-CURRENT LIABILITIES					
Long-term borrowings	14	34,510,395	30,896,445	32,201,979	28,578,535
Long-term borrowings under securitization project	15	-	-	1,386,522	1,401,709
Long-term debentures	16	4,346,652	4,460,676	2,873,570	2,987,594
Derivative liabilities	17	425,200	212,925	425,200	212,925
Lease liabilities		475,272	268,650	453,547	240,121
Subordinated borrowings	11.2	84,074	84,074	-	-
Provisions for employee benefit	18	477,922	463,335	434,247	419,132
Other non-current liabilities		84,202	82,962	77,348	68,102
Total Non-current Liabilities		<u>40,403,717</u>	<u>36,469,067</u>	<u>37,852,413</u>	<u>33,908,118</u>
TOTAL LIABILITIES		<u>71,379,293</u>	<u>70,205,425</u>	<u>66,982,987</u>	<u>65,474,417</u>

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT MAY 31, 2022

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,
		2022	2022	2022	2022
LIABILITIES AND SHAREHOLDERS’ EQUITY (CONTINUED)					
SHAREHOLDERS’ EQUITY	19				
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		15,923,703	14,808,860	15,897,939	14,703,739
OTHER COMPONENTS OF SHAREHOLDERS’ EQUITY					
Exchange differences on translating					
financial statements of foreign operations		(94,952)	(95,808)	-	-
Cumulative loss on cash flow hedges		(138,184)	(427,341)	(138,184)	(427,341)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		21,293,567	19,888,711	21,362,755	19,879,398
NON-CONTROLLING INTERESTS					
		419,184	375,252	-	-
TOTAL SHAREHOLDERS’ EQUITY		21,712,751	20,263,963	21,362,755	19,879,398
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY		93,092,044	90,469,388	88,345,742	85,353,815

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, 2022

“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,
		2022	2021	2022	2021
REVENUES					
Credit card income		1,809,741	1,549,691	1,772,865	1,549,276
Loan income	20	2,628,415	2,611,896	2,602,647	2,550,500
Hire-purchase income		266,731	272,673	65,103	83,721
Other income					
Bad debt recovery		385,429	328,346	385,429	328,346
Gain on sale of written-off receivables	26.3	104,979	-	104,979	-
Collection service income		56,242	57,693	-	29
Insurance broker business income		179,352	150,595	179,352	110,404
Dividend income		-	-	158,600	222,200
Others		53,760	70,319	28,266	29,091
Total Other income		779,762	606,953	856,626	690,070
Total Revenues		5,484,649	5,041,213	5,297,241	4,873,567
EXPENSES					
Operating and administrative expenses		1,990,104	1,888,421	1,824,550	1,716,789
Directors and managements' remuneration	21	43,234	32,468	28,817	14,932
Loss on impairment of assets		1,426	-	1,426	-
Loss on sale and write-off of leasehold improvements and equipment and intangible assets other than goodwill		59	2,024	106	1,206
Total Expenses		2,034,823	1,922,913	1,854,899	1,732,927
Finance costs		436,704	453,167	458,491	471,479
Expected credit losses		1,563,477	1,225,961	1,530,153	872,001
PROFIT BEFORE INCOME TAX		1,449,645	1,439,172	1,453,698	1,797,160
INCOME TAX EXPENSES	22	290,889	355,478	259,498	317,327
PROFIT FOR THE PERIOD		1,158,756	1,083,694	1,194,200	1,479,833
PROFIT (LOSS) ATTRIBUTABLE TO :					
Owners of the parent		1,114,843	1,149,430	1,194,200	1,479,833
Non-controlling interests		43,913	(65,736)	-	-
		1,158,756	1,083,694	1,194,200	1,479,833
BASIC EARNINGS PER SHARE					
	BAHT	4.46	4.60	4.78	5.92
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, 2022

“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,
	2022	2021	2022	2021
Profit for the period	1,158,756	1,083,694	1,194,200	1,479,833
Other comprehensive income (loss), net of tax				
Components of other comprehensive income that				
will be reclassified to profit or loss				
Exchange differences on translating				
financial statements of foreign operations				
- Owners of the parent	856	11,346	-	-
- Non-controlling interests	1,683	14,748	-	-
Gain (loss) on cash flow hedges	289,157	(65,108)	289,157	(65,108)
Other comprehensive income (loss) for the period, net of tax	291,696	(39,014)	289,157	(65,108)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,450,452	1,044,680	1,483,357	1,414,725
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO :				
Owners of the parent	1,404,856	1,095,668	1,483,357	1,414,725
Non-controlling interests	45,596	(50,988)	-	-
	1,450,452	1,044,680	1,483,357	1,414,725

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, 2022

“UNAUDITED”

UNIT : THOUSAND BAHT

	CONSOLIDATED FINANCIAL STATEMENTS								Non-controlling interests	Total shareholders' equity		
	Owners of the parent						Total owners of the parent					
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Unappropriated	Other components of shareholders' equity						
			Appropriated	Reserve for business expansion		Exchange differences on translating financial statements of foreign operations		Cumulative loss on cash flow hedges				
											Legal reserve	Reserve for business expansion
Beginning balance as at March 1, 2021	250,000	478,000	25,000	4,850,000	12,471,581	(121,225)	(895,575)	17,057,781	321,883	17,379,664		
Changes during the period												
Dividend paid	-	-	-	-	-	-	-	-	(2,998)	(2,998)		
Profit (loss) for the period	-	-	-	-	1,149,430	-	-	1,149,430	(65,736)	1,083,694		
Other comprehensive income (loss)	-	-	-	-	-	11,346	(65,108)	(53,762)	14,748	(39,014)		
Ending balance as at May 31, 2021	250,000	478,000	25,000	4,850,000	13,621,011	(109,879)	(960,683)	18,153,449	267,897	18,421,346		
Beginning balance as at March 1, 2022	250,000	478,000	25,000	4,850,000	14,808,860	(95,808)	(427,341)	19,888,711	375,252	20,263,963		
Changes during the period												
Dividend paid	-	-	-	-	-	-	-	-	(1,664)	(1,664)		
Profit for the period	-	-	-	-	1,114,843	-	-	1,114,843	43,913	1,158,756		
Other comprehensive income	-	-	-	-	-	856	289,157	290,013	1,683	291,696		
Ending balance as at May 31, 2022	250,000	478,000	25,000	4,850,000	15,923,703	(94,952)	(138,184)	21,293,567	419,184	21,712,751		

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, 2022

“UNAUDITED”

UNIT : THOUSAND BAHT

	SEPARATE FINANCIAL STATEMENTS						Total shareholders' equity
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of shareholders' equity		
			Appropriated	Unappropriated			
						Legal reserve	
						Cumulative loss on cash flow hedges	
Beginning balance as at March 1, 2021	250,000	478,000	25,000	4,850,000	11,790,986	(895,575)	16,498,411
Changes during the period							
Profit for the period	-	-	-	-	1,479,833	-	1,479,833
Other comprehensive loss	-	-	-	-	-	(65,108)	(65,108)
Ending balance as at May 31, 2021	250,000	478,000	25,000	4,850,000	13,270,819	(960,683)	17,913,136
Beginning balance as at March 1, 2022	250,000	478,000	25,000	4,850,000	14,703,739	(427,341)	19,879,398
Changes during the period							
Profit for the period	-	-	-	-	1,194,200	-	1,194,200
Other comprehensive income	-	-	-	-	-	289,157	289,157
Ending balance as at May 31, 2022	250,000	478,000	25,000	4,850,000	15,897,939	(138,184)	21,362,755

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, 2022

“UNAUDITED”

UNIT : THOUSAND BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	May 31, 2022	May 31, 2021	May 31, 2022	May 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the period	1,158,756	1,083,694	1,194,200	1,479,833
Adjustments for:				
Income tax expenses	290,889	355,478	259,498	317,327
Expected credit losses	1,563,477	1,225,961	1,530,153	872,001
Depreciation of leasehold improvements and equipment and right-of-use assets	203,600	236,671	173,730	199,129
Amortization of intangible assets other than goodwill	57,545	49,365	47,215	38,889
Loss on sale and write-off of leasehold improvement and equipment and intangible assets other than goodwill	59	2,024	106	1,206
Employee benefit expense	35,494	25,898	26,956	23,573
Gain on sale of written-off receivables	(104,979)	-	(104,979)	-
Unrealized gain on exchange rate	-	-	(5,822)	(4,855)
Interest income	(3,400,079)	(3,202,574)	(3,092,093)	(2,925,304)
(Gain) loss on cancellation of lease agreements	(21)	(334)	(21)	26
Loss on impairment of assets	1,426	-	1,426	-
Dividend income	-	-	(158,600)	(222,200)
Finance costs	436,704	453,167	458,491	471,479
	<u>242,871</u>	<u>229,350</u>	<u>330,260</u>	<u>251,104</u>
Changes in operating assets and liabilities				
Operating assets (increase) decrease				
Trade and other current receivables	(3,365,714)	(747,490)	(3,557,069)	(495,675)
Other current assets	13,654	39,169	447	(137)
Other non-current assets	1,777	(1,823)	3,333	(2,101)
Operating liabilities increase (decrease)				
Trade and other current payables	133,276	(207,259)	130,784	(101,365)
Other current liabilities	488	4,976	(506)	(1,648)
Other non-current liabilities	1,466	8,448	9,477	(751)
Net cash flows used in operations	<u>(2,972,182)</u>	<u>(674,629)</u>	<u>(3,083,274)</u>	<u>(350,573)</u>
Interest received	3,343,024	3,161,309	3,029,644	2,886,251
Dividend received	-	-	158,600	222,200
Finance costs paid	(516,634)	(468,497)	(551,026)	(503,379)
Income tax paid	(32,882)	(58,585)	(8,115)	(5,516)
Employee benefits paid	<u>(20,907)</u>	<u>(1,052)</u>	<u>(11,841)</u>	<u>-</u>
Net cash flows provided by (used in) operating activities	<u>(199,581)</u>	<u>1,958,546</u>	<u>(466,012)</u>	<u>2,248,983</u>

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

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2022

“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, 2022	May 31, 2021	May 31, 2022	May 31, 2021
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash received from fixed deposits at banks under obligations		-	323	-	-
Cash paid for purchase of leasehold improvements and equipment	4.2	(44,441)	(59,578)	(43,038)	(47,554)
Cash received from sale of leasehold improvements and equipment		164	1,258	82	841
Cash paid for purchase of intangible assets other than goodwill	4.2	(182,015)	(95,736)	(168,634)	(95,145)
Cash paid for investment in equity securities designated at fair value through other comprehensive income		-	(36,000)	-	(36,000)
Net cash flows used in investing activities		(226,292)	(189,733)	(211,590)	(177,858)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from bank overdrafts and short-term borrowings from financial institutions	4.4	25,945,969	14,505,805	25,192,203	12,150,033
Cash repayments for bank overdrafts and short-term borrowings from financial institutions	4.4	(29,565,705)	(18,250,807)	(28,663,443)	(15,790,033)
Cash received from long-term borrowings	4.4	6,329,662	2,873,981	6,329,662	2,571,061
Cash repayments for long-term borrowings	4.4	(2,165,341)	(716,220)	(2,000,000)	(716,220)
Cash received from long-term borrowings under securitization project	4.4	-	-	137,395	126,904
Cash repayments for long-term borrowings under securitization project	4.4	-	-	(137,395)	(126,904)
Cash paid for lease liabilities	4.4	(134,089)	(149,083)	(117,206)	(127,834)
Cash received from sales of written-off receivables		104,979	38,842	104,979	38,842
Dividend paid		(2,477)	(3,383)	-	-
Net cash flows provided by (used in) financing activities		512,998	(1,700,865)	846,195	(1,874,151)
Net increase in cash and cash equivalents					
before effect of exchange rate		87,125	67,948	168,593	196,974
Effect of exchange rate changes on cash and cash equivalents		(2,212)	1,841	-	-
Net increase in cash and cash equivalents		84,913	69,789	168,593	196,974
Cash and cash equivalents at the beginning of the period		4,235,603	5,105,168	2,639,136	3,157,192
Cash and cash equivalents at the end of the period	4.1	4,320,516	5,174,957	2,807,729	3,354,166

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, 2022
“UNAUDITED”**

**1. GENERAL INFORMATION AND OPERATIONS OF THE COMPANY AND ITS SUBSIDIARIES
(THE “GROUP”)**

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, personal loans and others. Subsequently, on October 6, 2020, the Company has registered another objective which is to conduct life and non-life insurance broker business.

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 as mentioned in Note 2.5 and Note 7.

Coronavirus Disease 2019 Pandemic

A novel coronavirus (“COVID-19”) pandemic started in early 2020 in Thailand and countries the Group operate. It clearly affects overall Thailand and global economy, including employees, customers, business partners and business operations of the Group and the Company.

In order to mitigate the impacts, the Company provides supports to customers as the relief measurement for loan to affected customer from the impact of COVID-19, following to the Bank of Thailand’s the relief measurement to help debtors from the Thai economic situation, by reducing minimum payment rates for credit card and personal loan and providing grace period for principal and interest according to conditions and terms specified by the Company.

Moreover, AEON Microfinance (Myanmar) Co., Ltd. (the “subsidiary”) has temporarily suspended new loans to customers due to the impact of the political turmoil in Myanmar since February 1, 2021. However, the subsidiary has resumed providing new loans to existing customers starting January 22, 2022. The subsidiary has continuously reduced operation costs and continued pursuing debt collection.

Nevertheless, the Group’s and Company’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

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 “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission (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, 2022 and 2021 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, 2022, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.

- 2.3 The unaudited results of operations presented in the three-month period ended May 31, 2022 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRSs, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month period ended May 31, 2022 should be read in conjunction with the audited financial statements for the year ended February 28, 2022.
- 2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from this interim consolidated financial statements. The interim consolidated financial statements for the three-month period ended May 31, 2022 have included the subsidiaries’ interim financial statements which were reviewed.

For the three-month periods ended May 31, 2022 and 2021, the subsidiaries included in the consolidated financial statements are as follows:

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings (%) for the three-month periods ended May 31, 2022 2021	
ACS Servicing (Thailand) Company Limited	Collection servicer	Thailand	March 13, 2007	100.00	100.00
ACSI (Thailand) Co., Ltd.	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 with 3.71% shareholdings.

⁽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⁾ The Company has the power to control over AEON Specialized Bank (Cambodia) Plc. in accordance with the requirement of TFRS No. 10 "Consolidated Financial Statements".

The interim consolidated financial statements for the three-month periods ended May 31, 2022 and 2021 include equity interest in an associate as follows:

	Business type	Country of registration	Registration date	Percentage of direct and indirect holdings (%) for the three-month periods ended May 31, 2022 2021	
ACS Trading Vietnam Company Limited	Retail finance business	Vietnam	May 26, 2008	-(⁽¹⁾)	20.00

⁽¹⁾ Since November 29, 2021, the proportion of the Company's shareholding in ACS Trading Vietnam Company Limited ("ACS Trading Vietnam") decreased from 20% to 3.03% because the Company waived the rights to purchase the increased share capital in ACS Trading Vietnam. This resulted in reclassification of the investment from investment in an associate to investment in equity securities measured at fair value through profit or loss.

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

	The date of the end of the reporting period in preparation of the consolidated financial statements for the three-month periods ended May 31,	
	2022	2021
Subsidiaries		
ACS Servicing (Thailand) Company Limited	March 31, 2022	March 31, 2021
ACSI (Thailand) Co., Ltd.,	March 31, 2022	March 31, 2021
AEON Specialized Bank (Cambodia) Plc.	March 31, 2022	March 31, 2021
AEON Microfinance (Myanmar) Company Limited	March 31, 2022	March 31, 2021
AEON Leasing Service (Lao) Company Limited	March 31, 2022	March 31, 2021
An associate		
ACS Trading Vietnam Company Limited	– ⁽¹⁾	March 31, 2021

⁽¹⁾ Since November 29, 2021, the proportion of the Company's shareholding in ACS Trading Vietnam Company Limited ("ACS Trading Vietnam") decreased from 20% to 3.03% because the Company waived the rights to purchase the increased share capital in ACS Trading Vietnam. This resulted in reclassification of the investment from investment in an associate to investment in equity securities measured at fair value through profit or loss.

- 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 financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2022. 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 accounting requirements for interest rate reform - Phase 2. The adoption of these financial reporting standards does not have any significant impact on the Group's and the Company's interim financial statements.

Accounting Treatment Guidance on "Guidelines for supporting debtors affected by COVID-19"

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors affected from COVID-19 with the supporting period during January 1, 2022 to December 31, 2023 or until there are any changes from the Bank of Thailand, which requires the compliance for such changes. The entities who support their debtors and elect to apply the temporary relief measures according to this accounting treatment guidance should disclose information as specified in this accounting treatment guidance.

For the three-month period ended May 31, 2022, the Group and the Company have adhered to such Accounting Treatment Guidance regarding staging of receivables. For receivables that are credit impaired but still have the potential for repayment, the Group and the Company will classify the receivables as low credit risk (Stage 1) if the debtor has been repaying for 3 consecutive months or 3 payment periods, whichever is longer.

In the case where debt restructuring results in the original effective interest rate not reflecting the projected cash flows from such debts, the Group and the Company will adhere to such Accounting Treatment Guidance by using the new effective interest rate to calculate the present value of the restructured debts under the guidelines in the relief measurement to help debtors following the Bank of Thailand's circular letter.

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, 2022.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at May 31, 2022 and February 28, 2022 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at	As at	As at	As at
	May 31,	February 28,	May 31,	February 28,
	2022	2022	2022	2022
	Baht '000	Baht '000	Baht '000	Baht '000
Cash	823,090	666,891	774,381	627,565
Deposits at banks - call deposits	3,497,426	3,568,712	2,033,348	2,011,571
Total cash and cash equivalents	4,320,516	4,235,603	2,807,729	2,639,136

- 4.2 Cash paid for purchase of leasehold improvements and equipment, and intangible assets other than goodwill for the three-month periods ended May 31, 2022 and 2021 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2022	2021	2022	2021
	Baht '000	Baht '000	Baht '000	Baht '000
Leasehold improvements and equipment				
Liabilities recorded - brought forward	34,470	25,839	34,218	23,896
Purchase of leasehold improvements and equipment	20,363	53,983	19,213	42,787
	54,833	79,822	53,431	66,683
<u>Less</u> Cash paid for purchase of				
leasehold improvements and equipment	(44,441)	(59,578)	(43,038)	(47,554)
Liabilities recorded - carried forward	10,392	20,244	10,393	19,129
Intangible assets other than goodwill				
Liabilities recorded - brought forward	146,101	13,521	145,885	13,520
Purchase of intangible assets other than goodwill	56,972	89,904	43,702	87,051
	203,073	103,425	189,587	100,571
<u>Less</u> Cash paid for purchase of				
intangible assets other than goodwill	(182,015)	(95,736)	(168,634)	(95,145)
Liabilities recorded - carried forward	21,058	7,689	20,953	5,426

- 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 periods ended May 31, 2022 and 2021, such sale was settled by increasing the Seller loan Account of Baht 22.74 million and decreasing the Seller loan Account of Baht 8.20 million, respectively, instead of cash receipt.
- 4.4 Changes in liabilities arising from financing activities for the three-month periods ended May 31, 2022 and 2021 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					"Unaudited"
	Beginning balance as at March 1, 2022	Financing cash flows	Cash	Non-cash changes	Others	
	Baht '000	Baht '000	Baht '000	Differences on translating foreign currencies	Baht '000	Ending balance as at May 31, 2022
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Bank overdrafts and short-term borrowings from financial institutions	9,171,904	25,945,969	(29,565,705)	(21,854)	-	5,530,314
Long-term borrowings	47,986,662	6,329,662	(2,165,341)	570,249	(35,494)	52,685,738
Long-term debentures	8,259,554	-	-	(115,213)	1,578	8,145,919
Lease liabilities	624,978	-	(134,089)	(308)	368,133*	858,714

*The amount comprises addition of lease agreements and extensions of existing lease agreements.

CONSOLIDATED FINANCIAL STATEMENTS

	Beginning	Financing cash flows		Non-cash changes		“Unaudited”
	balance	Cash	Cash	Differences	Others	Ending
	as at	received	paid	on translating		balance
	March 1,			foreign		as at
	2021			currencies		May 31,
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	2021
						Baht '000
Bank overdrafts and short-term borrowings from financial institutions	10,379,071	14,505,805	(18,250,807)	50,749	-	6,684,818
Long-term borrowings	42,821,621	2,873,981	(716,220)	934,296	(5,566)	45,908,112
Long-term debentures	9,425,401	-	-	55,133	1,700	9,482,234
Lease liabilities	689,629	-	(149,083)	-	84,200	624,746

SEPARATE FINANCIAL STATEMENTS

	Beginning	Financing cash flows		Non-cash changes		“Unaudited”
	balance	Cash	Cash	Differences	Others	Ending
	as at	received	paid	on translating		balance
	March 1,			foreign		as at
	2022			currencies		May 31,
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	2022
						Baht '000
Bank overdrafts and short-term borrowings from financial institutions	7,941,240	25,192,203	(28,663,443)	-	-	4,470,000
Long-term borrowings	44,896,115	6,329,662	(2,000,000)	584,844	(35,495)	49,775,126
Long-term borrowings under securitization project	1,401,709	137,395	(137,395)	-	(15,187)	1,386,522
Long-term debentures	6,786,472	-	-	(115,213)	1,578	6,672,837
Lease liabilities	552,425	-	(117,206)	-	367,144*	802,363

*The amount comprises addition of lease agreements and extensions of existing lease agreements.

	SEPARATE FINANCIAL STATEMENTS					“Unaudited”
	Beginning balance as at March 1, 2021 Baht '000	Financing cash flows		Non-cash changes		Ending balance as at May 31, 2021 Baht '000
		Cash received	Cash paid	Differences on translating foreign currencies	Others	
		Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Bank overdrafts and short-term borrowings from financial institutions	7,860,000	12,150,033	(15,790,033)	-	-	4,220,000
Long-term borrowings	40,646,732	2,571,061	(716,220)	824,915	(1,802)	43,324,686
Long-term borrowings under securitization project	1,489,622	126,904	(126,904)	-	(44,839)	1,444,783
Long-term debentures	7,952,319	-	-	55,133	1,700	8,009,152
Lease liabilities	558,595	-	(127,834)	-	72,486	503,247

5. TRADE RECEIVABLES

5.1 Trade receivables as at May 31, 2022 and February 28, 2022 consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	“Unaudited” As at May 31, 2022 Baht '000	As at February 28, 2022 Baht '000	“Unaudited” As at May 31, 2022 Baht '000	As at February 28, 2022 Baht '000
Trade receivables	91,340,979	89,626,146	86,088,036	84,065,981
Trade receivables under securitization project - ATS Rabbit Special Purpose Vehicle Company Limited	1,386,522	1,401,709	1,386,522	1,401,709
Total	92,727,501	91,027,855	87,474,558	85,467,690
Less Allowance for expected credit losses	(10,772,144)	(10,951,455)	(9,889,982)	(9,972,970)
Total trade receivables	81,955,357	80,076,400	77,584,576	75,494,720

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, the Company continues to recognize the full carrying amount of these receivables and uses them as collateral for long-term borrowings under the securitization project (see Note 5.5).

As at May 31, 2022 and February 28, 2022, trade receivables are as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
“Unaudited”						
	As at May 31, 2022			As at February 28, 2022		
	Due within	Due after	Total	Due within	Due after	Total
	1 year	1 year		1 year	1 year	
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Hire-purchase receivable						
Hire-purchase and accrued interest receivable	2,499,577	3,738,011	6,237,588	2,562,979	3,972,671	6,535,650
<u>Less</u> Unearned financing income	(261,665)	(335,255)	(596,920)	(277,545)	(366,710)	(644,255)
	2,237,912	3,402,756	5,640,668	2,285,434	3,605,961	5,891,395
<u>Less</u> Allowance for expected credit losses	(274,767)	(484,261)	(759,028)	(283,862)	(508,248)	(792,110)
Hire-purchase and accrued interest receivable - net	1,963,145	2,918,495	4,881,640	2,001,572	3,097,713	5,099,285
Loans receivable						
Loans and accrued interest receivable	46,032,174	161,789	46,193,963	45,513,782	181,622	45,695,404
<u>Less</u> Allowance for expected credit losses	(6,243,575)	(36,114)	(6,279,689)	(6,236,426)	(42,362)	(6,278,788)
Loans and accrued interest receivable - net	39,788,599	125,675	39,914,274	39,277,356	139,260	39,416,616
Credit card receivable						
Credit card and accrued interest receivable	40,806,773	-	40,806,773	39,323,715	-	39,323,715
<u>Less</u> Allowance for expected credit loss	(3,733,427)	-	(3,733,427)	(3,880,166)	-	(3,880,166)
Credit card and accrued interest receivable - net	37,073,346	-	37,073,346	35,443,549	-	35,443,549
Receivable from rendering the collection service						
Receivable from rendering the collection service	17,444	-	17,444	15,593	-	15,593
<u>Less</u> Allowance for expected credit losses	-	-	-	(391)	-	(391)
Receivable from rendering the collection service - net	17,444	-	17,444	15,202	-	15,202
Receivable from insurance broker business	68,653	-	68,653	101,748	-	101,748
Total trade receivables	<u>78,911,187</u>	<u>3,044,170</u>	<u>81,955,357</u>	<u>76,839,427</u>	<u>3,236,973</u>	<u>80,076,400</u>

SEPARATE FINANCIAL STATEMENTS

“Unaudited”

	As at May 31, 2022			As at February 28, 2022		
	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	894,550	2,059,791	2,954,341	914,643	2,192,369	3,107,012
<u>Less</u> Unearned financing income	<u>(261,665)</u>	<u>(335,255)</u>	<u>(596,920)</u>	<u>(277,545)</u>	<u>(366,709)</u>	<u>(644,254)</u>
	632,885	1,724,536	2,357,421	637,098	1,825,660	2,462,758
<u>Less</u> Allowance for expected credit losses	<u>(112,528)</u>	<u>(306,625)</u>	<u>(419,153)</u>	<u>(109,304)</u>	<u>(313,220)</u>	<u>(422,524)</u>
Hire-purchase and accrued interest receivable - net	<u>520,357</u>	<u>1,417,911</u>	<u>1,938,268</u>	<u>527,794</u>	<u>1,512,440</u>	<u>2,040,234</u>
Loans receivable						
Loans and accrued interest receivable	45,016,344	-	45,016,344	44,363,688	-	44,363,688
<u>Less</u> Allowance for expected credit losses	<u>(5,800,842)</u>	<u>-</u>	<u>(5,800,842)</u>	<u>(5,733,592)</u>	<u>-</u>	<u>(5,733,592)</u>
Loans and accrued interest receivable - net	<u>39,215,502</u>	<u>-</u>	<u>39,215,502</u>	<u>38,630,096</u>	<u>-</u>	<u>38,630,096</u>
Credit card receivable						
Credit card and accrued interest receivable	40,032,268	-	40,032,268	38,539,555	-	38,539,555
<u>Less</u> Allowance for expected credit losses	<u>(3,669,987)</u>	<u>-</u>	<u>(3,669,987)</u>	<u>(3,816,854)</u>	<u>-</u>	<u>(3,816,854)</u>
Credit card and accrued interest receivable - net	<u>36,362,281</u>	<u>-</u>	<u>36,362,281</u>	<u>34,722,701</u>	<u>-</u>	<u>34,722,701</u>
Receivable from insurance broker business	<u>68,525</u>	<u>-</u>	<u>68,525</u>	<u>101,689</u>	<u>-</u>	<u>101,689</u>
Total trade receivables	<u>76,166,665</u>	<u>1,417,911</u>	<u>77,584,576</u>	<u>73,982,280</u>	<u>1,512,440</u>	<u>75,494,720</u>

5.2 Quality of assets

Staging analysis for trade receivables as at May 31, 2022 and February 28, 2022 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
	“Unaudited”					
	As at May 31, 2022			As at February 28, 2022		
	Trade receivables	Allowance for expected credit losses	Total trade receivables	Trade receivables	Allowance for expected credit losses	Total trade receivables
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Low credit risk receivables (Stage 1)	84,357,317	(5,244,250)	79,113,067	82,898,746	(5,563,984)	77,334,762
Significant increase in credit risk receivables (Stage 2)	3,458,380	(1,688,495)	1,769,885	3,701,623	(1,917,326)	1,784,297
Default receivables in credit risk (Stage 3)	4,911,804	(3,839,399)	1,072,405	4,427,486	(3,470,145)	957,341
Total	92,727,501	(10,772,144)	81,955,357	91,027,855	(10,951,455)	80,076,400

SEPARATE FINANCIAL STATEMENTS						
	“Unaudited”					
	As at May 31, 2022			As at February 28, 2022		
	Trade receivables	Allowance for expected credit losses	Total trade receivables	Trade receivables	Allowance for expected credit losses	Total trade receivables
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Low credit risk receivables (Stage 1)	80,178,209	(5,135,739)	75,042,470	78,540,851	(5,440,033)	73,100,818
Significant increase in credit risk receivables (Stage 2)	3,184,240	(1,593,718)	1,590,522	3,348,067	(1,768,513)	1,579,554
Default receivables in credit risk (Stage 3)	4,112,109	(3,160,525)	951,584	3,578,772	(2,764,424)	814,348
Total	87,474,558	(9,889,982)	77,584,576	85,467,690	(9,972,970)	75,494,720

Trade receivables as at May 31, 2022 and February 28, 2022 classified by aging are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at May 31, 2022	As at February 28, 2022	As at May 31, 2022	As at February 28, 2022
	Baht '000	Baht '000	Baht '000	Baht '000
Less than 3 months	88,071,519	86,925,982	83,618,271	82,214,531
3 months up	4,655,982	4,101,873	3,856,287	3,253,159
Total	92,727,501	91,027,855	87,474,558	85,467,690
Less Allowance for expected credit losses	(10,772,144)	(10,951,455)	(9,889,982)	(9,972,970)
Total trade receivables	81,955,357	80,076,400	77,584,576	75,494,720

5.3 Troubled debt restructuring

For the three-month periods ended May 31, 2022 and 2021, the Company recognized interest income on restructured debts totaling Baht 20.54 million and Baht 37.47 million, respectively.

The Company had outstanding balances of credit card receivable, hire-purchase receivable and loans receivable as at May 31, 2022 and February 28, 2022, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	“Unaudited”			
	As at May 31, 2022		As at February 28, 2022	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured trade receivables	19,095	715,574	21,160	801,805
Non-restructured trade receivables	3,606,824	91,925,830	3,697,818	90,108,709
Total	3,625,919	92,641,404	3,718,978	90,910,514

	SEPARATE FINANCIAL STATEMENTS			
	“Unaudited”			
	As at May 31, 2022		As at February 28, 2022	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured trade receivables	19,081	715,049	21,142	801,309
Non-restructured trade receivables	2,609,345	86,690,983	2,622,002	84,564,692
Total	2,628,426	87,406,032	2,643,144	85,366,001

As at May 31, 2022 and February 28, 2022, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

5.4 Allowance for expected credit losses

Allowance for expected credit losses as at May 31, 2022 and February 28, 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at May 31, 2022	As at February 28, 2022	As at May 31, 2022	As at February 28, 2022
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	10,951,455	11,593,219	9,972,970	10,891,803
Expected credit losses	1,679,323	7,007,152	1,683,923	6,328,214
Written-off bad debts	(1,858,634)	(7,648,916)	(1,766,911)	(7,247,047)
Ending balance	10,772,144	10,951,455	9,889,982	9,972,970

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		25% 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, 2022 and 2021, transactions relating to the transfers of financial assets under the securitization project are summarized as follows:

	2022 Million Baht	2021 Million Baht
Transfers of future and additional receivables (at book value)		
- Loans receivable (ATS Rabbit)	160	119
	<u>160</u>	<u>119</u>
Cash collection on behalf of a Special Purpose Vehicle		
- Loans receivable (ATS Rabbit)	228	220
	<u>228</u>	<u>220</u>
Servicing income on cash collection from a Special Purpose Vehicle		
- Loans receivable (ATS Rabbit)	19	20
	<u>19</u>	<u>20</u>

6. LONG-TERM LOAN TO A SUBSIDIARY

As at May 31, 2022 and February 28, 2022, the Company has long-term loan to a subsidiary (see Note 23.2.1) in the separate financial statements as follows:

				SEPARATE FINANCIAL STATEMENTS "Unaudited"	
				As at May 31, 2022	As at February 28, 2022
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000	Baht equivalent Baht '000
Loans in USD currency	2022 - 2026	8.50	4.00	136,066	130,244
				<u>136,066</u>	<u>130,244</u>
<u>Less</u> Current portion of long-term loan to a subsidiary				<u>(27,213)</u>	<u>-</u>
Total long-term loan to a subsidiary				<u>108,853</u>	<u>130,244</u>

Such long-term loan to a subsidiary is unsecured.

7. INVESTMENTS IN SUBSIDIARIES

As at May 31, 2022 and February 28, 2022, the Company had investments in subsidiaries (see Note 23.1) which are accounted for using the cost method in the separate financial statements as follows:

	SEPARATE FINANCIAL STATEMENTS "Unaudited"			
	As at May 31, 2022		As at February 28, 2022	
	Ownership %	Cost Baht '000	Ownership %	Cost Baht '000
ACS Servicing (Thailand) Company Limited	100.00	175,349.1	100.00	175,349.1
ACSI (Thailand) Co., Ltd.	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	455,403.3	100.00	455,403.3
AEON Leasing Service (Lao) Company Limited	96.29	107,333.1	96.29	107,333.1
ATS Rabbit Special Purpose Vehicle Company Limited	48.75	19.5	48.75	19.5
Total		<u>1,210,909.3</u>		<u>1,210,909.3</u>

On April 11, 2022, the Board of Directors' Meeting of ACSI (Thailand) Co., Ltd. (the "Subsidiary") had a special resolution to approve the Subsidiary's dissolution. Subsequently, on April 28, 2022, the Annual General Meeting of Shareholders of the Subsidiary had the resolutions to approve the Subsidiary's dissolution. The Subsidiary has registered the dissolution with the Department of Business Development, Ministry of Commerce on June 30, 2022.

8. INVESTMENTS IN EQUITY SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments in equity securities designated at fair value through profit or loss as at May 31, 2022 and February 28, 2022 consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS "Unaudited"			
	As at May 31, 2022		As at February 28, 2022	
	Ownership %	Fair Value Baht '000	Ownership %	Fair Value Baht '000
AEON (Thailand) Co., Ltd. ⁽¹⁾	3.82	-	3.82	-
PT. AEON Credit Service Indonesia ⁽²⁾	2.59	5,062	2.59	5,062
ACS Trading Vietnam Company Limited	3.03	-	-	-
Total		<u>5,062</u>		<u>5,062</u>

⁽¹⁾ 340,000 shares of Baht 100 each, Baht 25 called up

⁽²⁾ 173 shares of IDR 30 million each, par value of IDR 30 million, fully paid

The fair values of investments in equity securities designated at fair value through profit or loss are categorized into level 3.

9. INVESTMENT IN EQUITY SECURITIES DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investment in equity securities designated at fair value through other comprehensive income as at May 31, 2022 and February 28, 2022 consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	“Unaudited”			
	As at May 31, 2022		As at February 28, 2022	
	Ownership	Fair Value	Ownership	Fair Value
	%	Baht '000	%	Baht '000
Rabbit Cash Co., Ltd. ⁽¹⁾	18.00	144,000	18.00	144,000
Total		<u>144,000</u>		<u>144,000</u>

⁽¹⁾ 1,440,000 shares of Baht 100 each, fully paid

On March 29, 2021, the Company has entered into a Joint Venture Agreement with BSS Holdings Company Limited (“BSS Holdings”) and Humanica Public Company Limited (“HUMAN”) to incorporate a Joint Venture Company under the name of “Rabbit Cash Company Limited”, whereas BSS Holdings, the Company and HUMAN holds 77%, 18% and 5%, respectively, of the shares. The initial registered capital is Baht 800 million.

The fair values of investment in equity securities designated at fair value through other comprehensive income are categorized into level 3.

10. SELLER LOAN IN SPECIAL PURPOSE VEHICLE FOR SECURITIZATION

Seller loan in Special Purpose Vehicle for securitization as at May 31, 2022 and February 28, 2022 are as follows:

	SEPARATE	
	FINANCIAL STATEMENTS	
	“Unaudited”	
	As at	As at
	May 31,	February 28,
	2022	2022
	Baht '000	Baht '000
Seller loan in Special Purpose Vehicle for securitization (see Note 23.2.1)		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS Rabbit)	298,509	275,773
Total Seller loan in Special Purpose Vehicle for securitization	<u>298,509</u>	<u>275,773</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.

11. SUBORDINATED LENDINGS AND SUBORDINATED BORROWINGS

11.1 Subordinated lendings to Special Purpose Vehicle as at May 31, 2022 and February 28, 2022 are as follows:

	SEPARATE FINANCIAL STATEMENTS “Unaudited”	
	As at	As at
	May 31, 2022	February 28, 2022
	Baht '000	Baht '000
Subordinated lendings (see Note 23.2.1)		
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.

11.2 Subordinated borrowings of Special Purpose Vehicle as at May 31, 2022 and February 28, 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS “Unaudited”	
	As at	As at
	May 31, 2022	February 28, 2022
	Baht '000	Baht '000
Subordinated borrowings		
ATS Rabbit Special Purpose Vehicle Company Limited (ATS 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.

12. DEFERRED TAX ASSETS

Deferred tax assets as at May 31, 2022 and February 28, 2022 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at May 31, 2022 Baht '000	As at February 28, 2022 Baht '000	As at May 31, 2022 Baht '000	As at February 28, 2022 Baht '000
Deferred tax assets				
Allowance for expected credit losses	2,057,896	2,076,888	1,977,996	1,994,594
Cumulative loss from fair value measurement investments in equity securities	4,502	4,502	7,866	7,866
Allowance for impairment of investment and assets	2,064	8,579	285	6,800
Provisions for employee benefit	93,164	90,248	86,850	83,826
Deferred revenue from customer loyalty programs	97,919	97,898	97,919	97,898
Lease agreements	16,352	15,255	15,072	13,880
Derivatives	128,960	304,803	128,960	304,803
Others	40,014	26,619	15,247	15,306
	<u>2,440,871</u>	<u>2,624,792</u>	<u>2,330,195</u>	<u>2,524,973</u>
Deferred tax liabilities				
Lease agreements	356	310	-	-
Others	4,871	-	-	-
	<u>5,227</u>	<u>310</u>	<u>-</u>	<u>-</u>
Deferred tax assets	<u>2,435,644</u>	<u>2,624,482</u>	<u>2,330,195</u>	<u>2,524,973</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	“Unaudited”			
	Beginning balance as at March 1, 2022 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Ending balance as at May 31, 2022 Baht '000
Deferred tax assets				
Allowance for expected credit losses	2,076,888	(18,992)	-	2,057,896
Cumulative loss from fair value measurement of investments in equity securities	4,502	-	-	4,502
Allowance for impairment of investment and assets	8,579	(6,515)	-	2,064
Provisions for employee benefit	90,248	2,916	-	93,164
Deferred revenue from customer loyalty programs	97,898	21	-	97,919
Lease agreements	15,255	1,097	-	16,352
Derivatives	304,803	(103,554)	(72,289)	128,960
Others	26,619	13,395	-	40,014
	<u>2,624,792</u>	<u>(111,632)</u>	<u>(72,289)</u>	<u>2,440,871</u>
Deferred tax liabilities				
Lease agreements	310	46	-	356
Others	-	4,871	-	4,871
	<u>310</u>	<u>4,917</u>	<u>-</u>	<u>5,227</u>
Deferred tax assets	<u>2,624,482</u>	<u>(116,549)</u>	<u>(72,289)</u>	<u>2,435,644</u>

CONSOLIDATED FINANCIAL STATEMENTS				
	Beginning balance as at March 1, 2021 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Ending balance as at February 28, 2022 Baht '000
Deferred tax assets				
Allowance for expected credit losses	2,256,201	(179,313)	-	2,076,888
Non-accrual of interest income	1,815	(1,815)	-	-
Cumulative loss from fair value measurement of investments in equity securities	4,502	-	-	4,502
Allowance for impairment of investment and assets	12,400	(3,821)	-	8,579
Provisions for employee benefit	95,669	12,443	(17,864)	90,248
Deferred revenue from customer loyalty programs	81,899	15,999	-	97,898
Lease agreements	11,998	3,257	-	15,255
Derivatives	629,102	(413,734)	89,435	304,803
Others	29,109	(2,490)	-	26,619
	<u>3,122,695</u>	<u>(569,474)</u>	<u>71,571</u>	<u>2,624,792</u>
Deferred tax liabilities				
Lease agreements	154	156	-	310
	<u>154</u>	<u>156</u>	<u>-</u>	<u>310</u>
Deferred tax assets	<u>3,122,541</u>	<u>(569,630)</u>	<u>71,571</u>	<u>2,624,482</u>

SEPARATE FINANCIAL STATEMENTS “Unaudited”				
	Beginning balance as at March 1, 2022 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Ending balance as at May 31, 2022 Baht '000
Deferred tax assets				
Allowance for expected credit losses	1,994,594	(16,598)	-	1,977,996
Cumulative loss from fair value measurement of investments in equity securities	7,866	-	-	7,866
Allowance for impairment of investment and assets	6,800	(6,515)	-	285
Provisions for employee benefit	83,826	3,024	-	86,850
Deferred revenue from customer loyalty programs	97,898	21	-	97,919
Lease agreements	13,880	1,192	-	15,072
Derivatives	304,803	(103,554)	(72,289)	128,960
Others	15,306	(59)	-	15,247
	<u>2,524,973</u>	<u>(122,489)</u>	<u>(72,289)</u>	<u>2,330,195</u>
Deferred tax assets	<u>2,524,973</u>	<u>(122,489)</u>	<u>(72,289)</u>	<u>2,330,195</u>

	SEPARATE FINANCIAL STATEMENTS			
	Beginning	Items as	Items as	Ending
	balance	recognized in	recognized	balance
	as at	profit or loss	in other	as at
	March 1,		comprehensive	February 28,
	2021		income	2022
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for expected credit loss	2,178,361	(183,767)	-	1,994,594
Cumulative loss from fair value measurement of investments in equity securities	4,502	3,364	-	7,866
Allowance for impairment of investment and assets	15,764	(8,964)	-	6,800
Provisions for employee benefit	86,320	14,268	(16,762)	83,826
Deferred revenue from customer loyalty programs	81,899	15,999	-	97,898
Lease agreements	11,550	2,330	-	13,880
Derivatives	629,102	(413,734)	89,435	304,803
Others	15,737	(431)	-	15,306
	<u>3,023,235</u>	<u>(570,935)</u>	<u>72,673</u>	<u>2,524,973</u>
Deferred tax assets	<u>3,023,235</u>	<u>(570,935)</u>	<u>72,673</u>	<u>2,524,973</u>

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

Bank overdrafts and short-term borrowings from financial institutions as at May 31, 2022 and February 28, 2022 consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS			
	“Unaudited”			
	As at May 31, 2022		As at February 28, 2022	
	Interest rate		Interest rate	
	p.a. (%)	Baht '000	p.a. (%)	Baht '000
Overdrafts in THB currency	0.85	-	0.75	1,240
Short-term borrowings in THB currency	0.69 - 0.78	4,470,000	0.69 - 1.05	7,940,000
Short-term borrowings in USD currency	1.16 - 6.11	501,169	0.88 - 6.50	652,016
Short-term borrowings in LAK currency	6.13 - 6.60	303,508	6.13 - 6.60	302,751
Short-term borrowings in MMK currency	10.00 - 13.00	255,637	10.00 - 13.00	275,897
Total		<u>5,530,314</u>		<u>9,171,904</u>

	SEPARATE FINANCIAL STATEMENTS			
	“Unaudited”			
	As at May 31, 2022		As at February 28, 2022	
	Interest rate		Interest rate	
	p.a. (%)	Baht '000	p.a. (%)	Baht '000
Overdrafts in THB currency	0.85	-	0.75	1,240
Short-term borrowings in THB currency	0.69 - 0.78	4,470,000	0.69 - 1.05	7,940,000
Total		<u>4,470,000</u>		<u>7,941,240</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.

14. LONG-TERM BORROWINGS

As at May 31, 2022 and February 28, 2022, the Company entered into various long-term borrowings agreements in THB and foreign currencies as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
“Unaudited”				
As at May 31, 2022				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2023 - 2027	0.85 - 3.33	23,145.24	6,264,397
Borrowings in USD currency	2022 - 2027	1.85 - 8.50	758.60	25,984,639
Borrowings in THB currency	2022 - 2026	1.54 - 3.38	20,500.00	20,500,000
<u>Less</u> Borrowings issuance cost				(63,298)
				52,685,738
<u>Less</u> Current portion of long-term borrowings				(18,175,343)
Total long-term borrowings				<u>34,510,395</u>

CONSOLIDATED FINANCIAL STATEMENTS				
As at February 28, 2022				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2022 - 2027	0.85 - 3.33	25,645.24	7,363,132
Borrowings in USD currency	2022 - 2027	1.85 - 8.50	656.30	21,651,334
Borrowings in THB currency	2022 - 2026	1.54 - 3.29	19,000.00	19,000,000
<u>Less</u> Borrowings issuance cost				(27,804)
				47,986,662
<u>Less</u> Current portion of long-term borrowings				(17,090,217)
Total long-term borrowings				<u>30,896,445</u>

SEPARATE FINANCIAL STATEMENTS				
“Unaudited”				
As at May 31, 2022				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2023 - 2027	0.85 - 3.33	23,145.24	6,264,397
Borrowings in USD currency	2022 - 2027	1.85 - 3.38	671.60	23,074,027
Borrowings in THB currency	2022 - 2026	1.54 - 3.38	20,500.00	20,500,000
<u>Less</u> Borrowings issuance cost				(63,298)
				49,775,126
<u>Less</u> Current portion of long-term borrowings				(17,573,147)
Total long-term borrowings				<u>32,201,979</u>

SEPARATE FINANCIAL STATEMENTS				
As at February 28, 2022				
	Due within the year	Interest rate p.a. (%)	Foreign currency Million	Baht equivalent Baht '000
Borrowings in JPY currency	2022 - 2027	0.85 - 3.33	25,645.24	7,363,132
Borrowings in USD currency	2022 - 2025	1.85 - 3.38	564.30	18,560,787
Borrowings in THB currency	2022 - 2026	1.54 - 3.29	19,000.00	19,000,000
<u>Less</u> Borrowings issuance cost				(27,804)
				44,896,115
<u>Less</u> Current portion of long-term borrowings				(16,317,580)
Total long-term borrowings				<u>28,578,535</u>

As at May 31, 2022 and February 28, 2022, the Company can maintain financial ratios and other requirements according to the conditions as specified in the agreement.

15. LONG-TERM BORROWINGS UNDER SECURITIZATION PROJECT

As at May 31, 2022 and February 28, 2022, 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 1,386.52 million and Baht 1,401.71 million, respectively.

16. LONG-TERM DEBENTURES

Long-term debentures represent unsubordinated and unsecured debentures as at May 31, 2022 and February 28, 2022, as follows:

								“Unaudited”	
Issue date	Maturity date	No of units	Currency	Par value per unit	Amount	Interest rate p.a. (%)	Term of interest payment	As at May 31, 2022 Baht '000	As at February 28, 2022 Baht '000
Company									
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
15/11/2019	15/11/2022	2,800,000	THB	1,000	2,800,000,000	2.27	Semi-annual	2,800,000	2,800,000
15/11/2019	15/11/2024	1,000,000	THB	1,000	1,000,000,000	2.57	Semi-annual	1,000,000	1,000,000
29/12/2021	29/12/2026	70	JPY	100,000,000	7,000,000,000	0.65	Semi-annual	1,894,592	2,009,805
								6,694,592	6,809,805
<u>Less</u> Debentures issuance cost								(21,755)	(23,333)
								6,672,837	6,786,472
<u>Less</u> Current portion of long-term debentures								(3,799,267)	(3,798,878)
Total long-term debentures in the separate financial statements								2,873,570	2,987,594
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 the consolidated financial statements								4,346,652	4,460,676

As at May 31, 2022 and February 28, 2022, the Company can maintain financial ratios and other requirements according to the conditions as specified in the agreement.

17. DERIVATIVE FINANCIAL INSTRUMENTS

The fair values and notional amounts of derivative instruments as at May 31, 2022 and February 28, 2022 are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS						
“Unaudited”						
As at May 31, 2022			As at February 28, 2022			
	Fair value		Notional	Fair value		Notional
	Assets	Liabilities	amount	Assets	Liabilities	amount
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Derivatives designated as cash flow hedges						
Cross currency swaps	1,089,968	633,172	31,233,016	376,175	685,049	27,933,724
Interest rate swaps	25,111	94,241	9,000,000	-	182,677	9,000,000
	1,115,079	727,413	40,233,016	376,175	867,726	36,933,724
Less Current portion of derivative assets / liabilities	(407,002)	(302,213)	(11,276,847)	(82,380)	(654,801)	(10,819,198)
Total derivative assets / liabilities	708,077	425,200	28,956,169	293,795	212,925	26,114,526

18. 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, 2022 and 2021, amounts recognized in the statements of profit or loss in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2022 Baht '000	2021 Baht '000	2022 Baht '000	2021 Baht '000
Past service cost				
- For employees transferred from subsidiaries	-	2,782	-	3,814
Current service cost	26,277	20,225	24,232	17,952
Interest cost	2,968	1,969	2,724	1,807
Loss on settlement	6,249	922	-	-
Total	35,494	25,898	26,956	23,573

Movements in the present value of the provisions for post-employment benefit for the three-month periods ended May 31, 2022 and 2021 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2022 Baht '000	2021 Baht '000	2022 Baht '000	2021 Baht '000
Beginning balance	463,335	478,346	419,132	431,606
Past service cost				
- For employees transferred from subsidiaries	-	2,782	-	3,814
Current service cost	26,277	20,225	24,232	17,952
Interest cost	2,968	1,969	2,724	1,807
Loss on settlement	6,249	922	-	-
Benefits paid	(20,907)	(1,052)	(11,841)	-
Ending balance	477,922	503,192	434,247	455,179

The significant actuarial assumptions used to calculate the provisions under the defined benefit plans as at May 31, 2022 and February 28, 2022 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS		
“Unaudited”		
	As at May 31, 2022	As at February 28, 2022
	% per annum	% per annum
Financial assumptions		
Discount rate	0.84 - 2.60	0.84 - 2.60
Expected rate of salary increase	5.0	5.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 27.0	0.0 - 27.0
	Subject to range of age of employees	Subject to range of age of employees
Daily & Temporary staff	0.0 - 51.0	0.0 - 51.0
	Subject to range of age of employees	Subject to range of age of employees
SEPARATE FINANCIAL STATEMENTS		
“Unaudited”		
	As at May 31, 2022	As at February 28, 2022
	% per annum	% per annum
Financial assumptions		
Discount rate	2.60	2.60
Expected rate of salary increase	5.0	5.0
Demographic assumptions		
Turnover rate		
Monthly staff	0.0 - 17.0	0.0 - 17.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staff	0.0 - 51.0	0.0 - 51.0
	Subject to range of age of employees	Subject to range of age of employees

19. 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.

20. REVENUES RELATING TO SECURITIZATION TRANSACTION

For the three-month periods ended May 31, 2022 and 2021, 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	
	2022 Baht '000	2021 Baht '000
Loan income (see Note 23.2.2)		
Interest income from subordinated lendings	2,543	2,543
Revenue from seller loan in Special Purpose Vehicle	8,665	6,400
Dividend from investment in Special Purpose Vehicle	1,664	2,998
Collection Servicing income	19,216	20,117
Total	<u>32,088</u>	<u>32,058</u>

21. 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, 2022 and 2021, directors and managements' remuneration are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2022 Baht '000	2021 Baht '000	2022 Baht '000	2021 Baht '000
Short-term employee benefits				
Directors' remuneration (reversal)	11,284	2,140	8,750	(3,250)
Managements' remuneration	30,503	29,189	19,042	17,352
Post-employment benefits	1,447	1,139	1,025	830
Total	<u>43,234</u>	<u>32,468</u>	<u>28,817</u>	<u>14,932</u>

For the three-month periods ended May 31, 2022 and 2021, 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 24, 2022 and June 24, 2021, respectively.

22. CORPORATE INCOME TAX

The Company and its local subsidiaries used tax rate of 20% and the foreign subsidiaries used tax rate of 20% - 25% for corporate income tax and deferred tax calculations for the three-month periods ended May 31, 2022 and 2021.

Income tax expenses 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, 2022 and 2021, income tax expenses consists of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expenses for the period	174,340	34,468	137,009	-
Deferred income tax expenses	116,549	321,010	122,489	317,327
Income tax expenses per statements of profit or loss	<u>290,889</u>	<u>355,478</u>	<u>259,498</u>	<u>317,327</u>

Reconciliations of effective tax rates for the three-month periods ended May 31, 2022 and 2021 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
	Baht '000	Baht '000	Baht '000	Baht '000
Accounting profit before income tax	1,449,645	1,439,172	1,453,698	1,797,160
Permanent differences	(7,740)	105,550	4,058	(2,591)
Temporary differences	(624,771)	(1,370,831)	(612,448)	(1,586,636)
Income that is exempt from tax	-	-	(160,264)	(225,198)
Taxable profit (loss)	<u>817,134</u>	<u>173,891</u>	<u>685,044</u>	<u>(17,265)</u>
Normal income tax rate (%)	20.00 - 25.00	20.00 - 25.00	20.00	20.00
Income tax for the period currently payable	174,340	34,468	137,009	-
Deferred tax from temporary differences	116,549	321,010	122,489	317,327
Income tax expenses per statements of profit or loss	<u>290,889</u>	<u>355,478</u>	<u>259,498</u>	<u>317,327</u>
Effective tax rate (%)	20.07	24.70	17.85	17.66

23. 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:

23.1 Investments in subsidiaries (see Note 7) as at May 31, 2022 and February 28, 2022 are as follows:

SEPARATE FINANCIAL STATEMENTS							
“Unaudited”							
Related parties	Relationship	As at May 31, 2022			As at February 28, 2022		
		Ownership	Paid-up	Cost	Ownership	Paid-up	Cost
			capital			capital	
		%	Baht '000	Baht '000	%	Baht '000	Baht '000
ACS Servicing (Thailand) Company Limited	Subsidiary	100.00	175,349.1	175,349.1	100.00	175,349.1	175,349.1
ACSI (Thailand) Co., Ltd.	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	455,403.3	455,403.3	100.00	455,403.3	455,403.3
AEON Leasing Service (Lao) Company Limited	Subsidiary	96.29	111,402.9	107,333.1	96.29	111,402.9	107,333.1
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	48.75	40.0	19.5	48.75	40.0	19.5
Total				<u>1,210,909.3</u>			<u>1,210,909.3</u>

23.2 Business transactions with related parties

23.2.1 Balances with related parties as at May 31, 2022 and February 28, 2022 are as follows:

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		May 31, 2022	February 28, 2022	May 31, 2022	February 28, 2022
		Baht '000	Baht '000	Baht '000	Baht '000
Other receivables					
ACSI (Thailand) Co., Ltd.	Subsidiary	-	-	-	110
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	5,618	3,069
AEON Financial Service Co., Ltd.	Major shareholder	557	128	222	128
AEON Credit Service Company Limited	Common ultimate holding company	112	646	-	-
ACS Capital Corporation Limited	Shareholder and one common director	5,924	596	5,512	450
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	66,062	49,049
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	4,770	1,835
AEON (Cambodia) Company Limited	Common ultimate holding company	-	57	-	-
AEON (Thailand) Co., Ltd.	Common ultimate holding company	-	4,595	-	4,595
		<u>6,593</u>	<u>6,022</u>	<u>82,184</u>	<u>59,236</u>

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		May 31, 2022	February 28, 2022	May 31, 2022	February 28, 2022
		Baht '000	Baht '000	Baht '000	Baht '000
Long-term loan to a subsidiary					
(see Note 6)					
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	136,066	130,244
Seller loan in Special Purpose Vehicle for securitization (see Note 10)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	298,509	275,773
Subordinated lendings (see Note 11.1)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	84,074	84,074
Other payables					
ACSI (Thailand) Co., Ltd.	Subsidiary	-	-	-	56
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	59,376	55,814
AEON (Thailand) Co., Ltd.	Common ultimate holding company	916	1,076	916	1,076
AEON Financial Service Co., Ltd.	Major shareholder	33,117	57,387	27,173	51,597
AEON Credit Service Company Limited	Common ultimate holding company	1,164	3,561	465	2,415
AEON Bank Ltd.	Common ultimate holding company	548	1,094	548	1,094
TS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	43,329	46,195
		<u>35,745</u>	<u>63,118</u>	<u>131,807</u>	<u>158,247</u>
Long-term borrowing under securitization project (see Note 15)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	1,386,522	1,401,709
Deposit Received					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	4,137	4,163
Deferred Revenue					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	77,454	77,928
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	5,700	-
ACS Capital Corporation Limited	Shareholder and one common director	4,500	-	4,500	-
		<u>4,500</u>	<u>-</u>	<u>87,654</u>	<u>77,928</u>

23.2.2 Transactions with related parties for the three-month periods ended May 31, 2022 and 2021 are as follows:

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2022	2021	2022	2021
		Baht '000	Baht '000	Baht '000	Baht '000
Sales promotion income					
ACSI (Thailand) Company Limited	Subsidiary	-	-	-	317
Credit card income					
ACSI (Thailand) Company Limited	Subsidiary	-	-	-	28,274
Revenue relating to securitization transaction (included in loan income) (see Note 20)					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	32,088	32,058
Dividend income					
ACSI (Thailand) Company Limited	Subsidiary	-	-	55,000	200,000
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	103,600	22,200
		<u>-</u>	<u>-</u>	<u>158,600</u>	<u>222,200</u>
Collection service income					
ACS Capital Corporation Limited	Shareholder and one common director	-	71	-	-
Other income					
ACS Capital Corporation Limited	Shareholder and one common director	6,007	250	5,400	900
ACSI (Thailand) Company Limited	Subsidiary	-	-	157	2,238
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	6,300	4,650
AEON Specialized Bank (Cambodia) Plc.	Subsidiary	-	-	2,935	2,731
		<u>6,007</u>	<u>250</u>	<u>14,792</u>	<u>10,519</u>
Operating and administrative expenses					
Collection service fee					
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	118,836	124,944
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	862	1,334
		<u>-</u>	<u>-</u>	<u>119,698</u>	<u>126,278</u>

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2022	2021	2022	2021
		Baht '000	Baht '000	Baht '000	Baht '000
Others					
AEON Financial Service Co., Ltd.	Major shareholder	47,534	36,796	31,277	29,930
AEON Credit Service Company Limited	Common ultimate holding company	5,888	4,093	1,451	1,566
AEON (Thailand) Company Limited	Common ultimate holding company	803	3,897	802	3,897
ACS Capital Corporation Limited	Shareholder and one common director	-	40	-	-
AEON Bank Ltd.	Common ultimate holding company	4,048	4,657	1,527	1,752
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	9,646	7,121
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	691	-
AEON Insurance Service Company Limited	Common ultimate holding company	-	818	-	-
		<u>58,273</u>	<u>50,301</u>	<u>45,394</u>	<u>44,266</u>
Finance costs					
ATS Rabbit Special Purpose Vehicle Company Limited	Subsidiary	-	-	77,297	84,705
AEON Bank Ltd.	Common ultimate holding company	1,304	2,669	-	1,548
AEON Financial Service Co., Ltd.	Major shareholder	4,097	2,117	-	-
		<u>5,401</u>	<u>4,786</u>	<u>77,297</u>	<u>86,253</u>

- Other income for the three-month periods ended May 31, 2022 and 2021 includes computer fee and Finance and Accounting operation services fee charged to ACS Capital Corporation Limited, ACSI (Thailand) Co., Ltd. and ACS Servicing (Thailand) Company Limited. Details are as follows:

(1) Computer fee

The computer fee is charged to ACS Capital Corporation Limited, ACSI (Thailand) Co., Ltd and ACS Servicing (Thailand) Company Limited at the rate of Baht 200,000 per month, Baht 200,000 per month and Baht 707,349 per month, respectively.

The service fees are determined on a cost plus basis.

From January 2022 onwards, there is no charge for computer service from ACSI (Thailand) Co., Ltd.

(2) Finance and Accounting operation services fee

Finance and Accounting operation services fee is charged to ACS Capital Corporation Limited, ACSI (Thailand) Co., Ltd. and ACS Servicing (Thailand) Company Limited at the rate of Baht 50,000 per month, Baht 330,000 per month and Baht 720,000 per month, respectively.

From January 2022 onwards, Finance and Accounting operation services fee is charged to ACSI (Thailand) Co., Ltd. and ACS Servicing (Thailand) Company Limited at the rate of Baht 50,000 per month and Baht 730,000 per month, respectively. The service fees are determined on a cost plus basis.

- Revenues relating to securitization transactions are determined by the Company and subsidiaries in accordance with securitization projects (see Note 5.5).
- Collection service fee paid to ACS Servicing (Thailand) Co., Ltd. is based on general market price and in the normal course of business.
- Management assistant fee is paid to AEON Financial Service Co., Ltd. as stated in the agreement.
- Pricing policy for other operating and administrative expenses are determined by the Company and related parties based on the cost-plus basis.
- Purchase price of computer programs paid to AEON Credit Service Systems (Philippines) Inc. as specified in the agreement.

24. 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:

24.1 Operating results, classified by business for the three-month periods ended May 31, 2022 and 2021, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
2022					
	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	4,917,878	316,551	250,220	-	5,484,649
Inter - segment revenues	167,924	11,952	124,683	(304,559)	-
	5,085,802	328,503	374,903	(304,559)	5,484,649
Expenses					
Operating and administrative expenses	1,818,971	161,765	146,693	(137,325)	1,990,104
Directors and managements' remuneration	28,817	7,862	6,555	-	43,234
Loss on impairment of assets	1,426	-	-	-	1,426
Loss (gain) on sale and write-off of leasehold improvements and equipment and intangible assets other than goodwill	106	19	(66)	-	59
Total expenses	1,849,320	169,646	153,182	(137,325)	2,034,823
Finance costs	391,564	47,758	193	(2,811)	436,704
Expected credit losses (reversal)	1,568,076	(4,208)	(391)	-	1,563,477
Profit before income tax	1,276,842	115,307	221,919	(164,423)	1,449,645
Income tax expenses	260,330	21,484	9,075	-	290,889
Profit for the period	1,016,512	93,823	212,844	(164,423)	1,158,756

CONSOLIDATED FINANCIAL STATEMENTS					
2021					
	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	4,484,791	334,343	222,079	-	5,041,213
Inter - segment revenues	356,719	10,985	134,786	(502,490)	-
	4,841,510	345,328	356,865	(502,490)	5,041,213
Expenses					
Operating and administrative expenses	1,713,460	171,042	276,778	(272,859)	1,888,421
Directors and managements' remuneration	14,932	8,210	9,326	-	32,468
Loss on sale and write-off of leasehold improvements and equipment and intangible assets other than goodwill	1,206	85	733	-	2,024
Total expenses	1,729,598	179,337	286,837	(272,859)	1,922,913
Finance costs	399,350	55,820	572	(2,575)	453,167
Expected credit losses	908,636	317,243	82	-	1,225,961
Profit (loss) before income tax	1,803,926	(207,072)	69,374	(227,056)	1,439,172
Income tax expenses	321,096	17,957	16,425	-	355,478
Profit (loss) for the period	1,482,830	(225,029)	52,949	(227,056)	1,083,694

24.2 Financial positions classified by business are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
“Unaudited”					
As at May 31, 2022					
	Retail finance services		Other businesses	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Trade and other receivables	77,824,986	4,456,347	293,743	(151,849)	82,423,227
Leasehold improvements and equipment and intangible assets other than goodwill	1,262,494	142,800	88,779	(6,942)	1,487,131
Other assets	9,362,923	645,416	537,165	(1,363,818)	9,181,686
Total assets	<u>88,450,403</u>	<u>5,244,563</u>	<u>919,687</u>	<u>(1,522,609)</u>	<u>93,092,044</u>
Total liabilities	<u>67,144,435</u>	<u>4,367,939</u>	<u>148,607</u>	<u>(281,688)</u>	<u>71,379,293</u>

As at February 28, 2022					
	Retail finance services		Other businesses	Elimination	Total
	Domestic	Foreign	Domestic		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Trade and other receivables	75,858,446	4,660,254	233,465	(149,860)	80,602,305
Leasehold improvements and equipment and intangible assets other than goodwill	1,306,702	144,856	98,705	(6,943)	1,543,320
Other assets	8,343,195	687,801	635,593	(1,342,826)	8,323,763
Total assets	<u>85,508,343</u>	<u>5,492,911</u>	<u>967,763</u>	<u>(1,499,629)</u>	<u>90,469,388</u>
Total liabilities	<u>65,628,919</u>	<u>4,712,649</u>	<u>128,388</u>	<u>(264,531)</u>	<u>70,205,425</u>

25. CREDIT FACILITIES AND LETTER OF GUARANTEE

- 25.1 As at May 31, 2022 and February 28, 2022, the Company has unused committed and unsecured revolving credit facility agreements with various financial institutions totaling Baht 3,000 million.
- 25.2 As at May 31, 2022 and February 28, 2022, the Company has unused and unsecured overdraft facilities with various banks totaling Baht 3,090 million and Baht 3,089 million, respectively.
- 25.3 As at May 31, 2022 and February 28, 2022, 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.
- 25.4 As at May 31, 2022 and February 28, 2022, a subsidiary has letters of guarantee issued by banks in the amounts of Baht 1.63 million.

26. SALE OF WRITTEN-OFF RECEIVABLES

- 26.1 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 0.12 million and Baht 0.31 million as bad debt recovery in the consolidated and separate statements of profit or loss for the three-month periods ended May 31, 2022 and 2021, respectively, and recorded outstanding deferred revenue of Baht 21.64 million as other current liabilities in the separate statements of financial position as at May 31, 2022 (as at February 28, 2022: Baht 21.76 million).

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

- 26.2 On October 28, 2019, the Company sold written-off receivables under loan agreements and credit card agreements by a bidding process to ACS Servicing (Thailand) Company Limited (the “buyer”), a subsidiary, with the purchase price of Baht 59.11 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 October 28, 2019, 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 0.18 million and Baht 0.30 million as bad debt recovery in the consolidated and separate statements of profit or loss for the three-month periods ended May 31, 2022 and 2021, respectively, and recorded outstanding deferred revenue of Baht 54.59 million as other current liabilities in the separate statements of financial position as at May 31, 2022 (as at February 28, 2022 : Baht 54.77 million).

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

- 26.3 On March 4, 2022, the Company sold written-off receivables under loan agreements and credit card agreements by a bidding process to an unrelated local company (the “buyer”) with the purchase price of Baht 104.98 million. On the same date, the Company entered into the “Asset Sale and Purchase Agreement” with the buyer. The agreement set out the conditions and terms in respect of the sales, assignment and conveyance of the Company’s rights, title, claim, obligation, liability and interest in the written-off receivables under loan agreements and credit card agreements. On March 4, 2022, which is the closing date as specified in the agreement, the Company received the payment in full from the buyer. The Company has already recognized gain on sale of written-off receivables totaling Baht 104.98 million in the consolidated and separate statements of profit or loss for the three-month period ended May 31, 2022.

Under the Asset Sale and Purchase Agreement, the buyer was entitled to claim damages from the Company from sales of loans receivable within a specific period in events the buyer did not have lawful title over loans receivable or loan agreements are not legal as specified in the agreement. However, the Company believed that such damage was not significant, therefore, the Company had not recorded such claim in the financial statements for the three-month period ended May 31, 2022.

In addition, under the Asset Sale and Purchase Agreement, if the buyer wished to sell or transfer loan to a third party, the buyer shall get written approval from the Company. In addition, a third party shall comply all terms and conditions of the agreement, by entering into the Accession Agreement in form determined by the Company.

27. EVENT AFTER THE REPORTING PERIOD

On June 24, 2022, the Annual General Meeting of Shareholders had the resolutions to approve the declaration of final dividends for the year ended February 28, 2022 at the rate of Baht 2.65 per share, totaling Baht 662.50 million, which will be paid to all shareholders on July 20, 2022 in addition to the interim dividends which had been paid to all shareholders at the rate of Baht 2.50 per share, totaling Baht 625.00 million, on November 2, 2021.

28. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issue by the Company’s authorized director on July 5, 2022.

(Translation)

No. 17/2022

July 5, 2022

To: President

The Stock Exchange of Thailand

Re: Notification of the Resolution of the Board of Directors' Meeting No. 8/2022

We, AEON Thana Sinsap (Thailand) Public Company Limited ("Company"), hereby report the resolutions unanimously approved the reviewed financial statements of the Company for the first quarter ended May 31, 2022 at the meeting of the Board of Directors No. 8/2022, which held on July 5, 2022 from 10.00 a.m.

Please be informed according

Yours sincerely,

Mr. Tsutomu Omodera

Managing Director

Management Discussion and Analysis

For the 1st Quarter 2022 ended May 31, 2022

AEON Thana Sinsap (Thailand) Public Company Limited (“the Company”) has already submitted the consolidated reviewed the 1st quarter financial statements as of May 31, 2022 which were reviewed by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The operating performance is summarized are as follows.

Overview

According to the Bank of Thailand and Office of the National Economic and Social Development Board data. The Thai economy in the first quarter of 2022 expanded by 2.2% (y-y), accelerating from 1.8% growth in the previous year due to continue an increase of export and private consumption, as well as an expansion of private investment. In addition, there were supporting factors from domestic demand from the recovery of the tourism sector and the return of foreign tourists. However, economic expansion remains at risk from the impact of higher cost of living on households and headline inflation tends to rise mainly from energy prices. Therefore, the unemployment rate at 1.53% in the first quarter of 2022 dropped from the previous year and household debt tends to increase due to rising prices of consumer goods.

The Company performance of the first quarter of 2022, the Company has total new sales increased by 41% y-y, mainly due to the continual increase in credit card spending through online channels and marketing with business partners. In the first quarter of 2022, online credit card spending shared 18% of total spending

As of May 31, 2022, the Company had total cards as below;

Number of AEONTS Cards and Networks	May 31, 2021	May 31, 2022
Number of Credit Cards (million cards)	2.98	3.15
Number of Member Cards (million cards)	6.27	6.37
Branches	102 branches	103 branches
Bangkok	29%	30%
Province	71%	70%
ATMs (machine)	407	309
Affiliated Dealers	6,260	6,192

Summary of Consolidated Financial Results

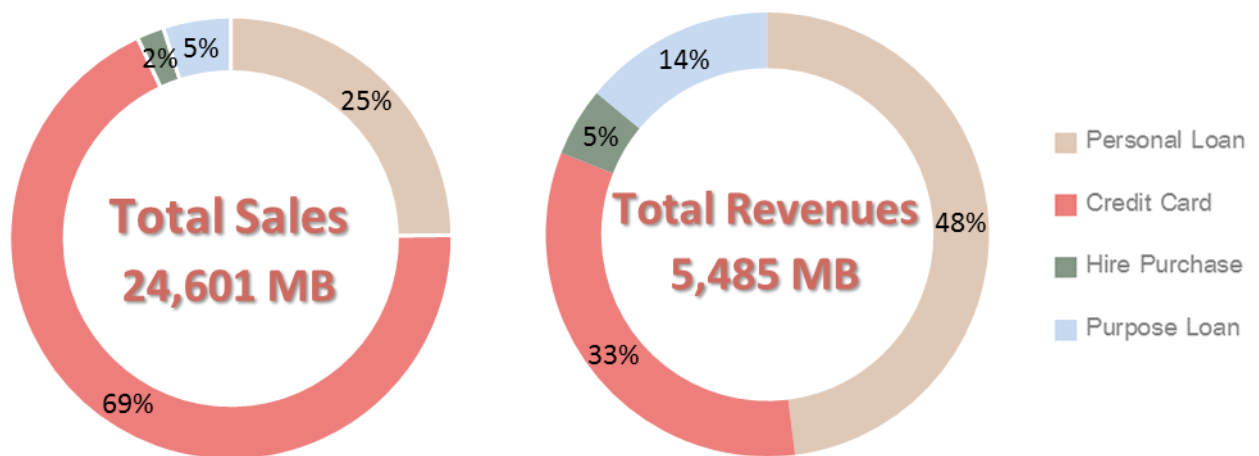
1. Operating Results

Profit and Loss Statement (Consolidated) Unit : Million Baht	Consolidated					Separate		
	1Q/21	4Q/21	1Q/22	%QoQ	%YoY	1Q/21	1Q/22	%YoY
Credit card income	1,550	1,642	1,810	10%	17%	1,549	1,773	14%
Loan income	2,612	2,572	2,628	2%	1%	2,551	2,603	2%
Hire-purchase income	273	268	267	-0.3%	-2%	84	65	-23%
Other income	607	712	780	10%	29%	690	857	24%
Total Revenues	5,041	5,194	5,485	6%	9%	4,874	5,297	9%
Operating and administrative expenses	1,921	1,987	2,033	2%	6%	1,732	1,853	7%
Expected credit loss	1,226	1,619	1,563	-3%	28%	872	1,530	75%
Finance costs	453	418	437	5%	-4%	471	458	-3%
Other expenses	2	3	2	-33%	0%	1	2	100%
Total Expenses	3,602	4,026	4,035	0.2%	12%	3,076	3,844	25%
Profit before tax income	1,439	1,169	1,450	24%	1%	1,797	1,454	-19%
Income tax expenses	355	231	291	26%	-18%	317	259	-18%
Net profit for the period	1,149	911	1,115	22%	-3%	1,480	1,194	-19%
Earnings Per Share (Baht per share)	4.60	3.64	4.46	23%	-3%	5.92	4.78	-19%

Revenues

In the first quarter of 2022 ended May 31, 2022, the total consolidated revenues were 5,485 million baht, showing an increase of 443 or 9% y-y. This was mainly increased in credit card income by 17%, in line with the higher of credit card spending and cash advance in this quarter and other incomes in bad debt recovery increased by 17% y-y. As of May 31, 2022, the Company has active customers more than 2.6 million IDS, mainly from Bangkok 30%, and in up-country 70%. For overseas business in Cambodia, Myanmar and Laos, they have active customers more than 118,000 customers representing 5% of active customers of the Company. Details of each business can be described as follows:

Sales and Revenues Structure for the first quarter of 2022



- Credit Card

In the first quarter of 2022, credit card turnover accounted for 69% of total turnovers with revenue of 1,810 million baht, an increase of 260 million baht or 17% y-y. As a result of the relaxation of various measures, recovery of the tourism sector and also credit card spending increased by 18% y-y. For overseas business, AEON Specialized Bank (Cambodia) Plc had credit card revenue in the first quarter of 2022 of 37 million baht, grew by 28% y-y.

- Loans

In the first quarter of 2022, loans shared 25% of total turnovers with the revenue of 2,628 million baht, an increase of 17 million baht or 1% y-y and 48% of total revenues. Moreover, loan income from AEON Specialized Bank (Cambodia) PLC of 57 million baht, dropped by 21% y-y and AEON Microfinance (Myanmar) Company Limited of 1 million baht, decreasing by 97% y-y due to the impact of the political turmoil in Myanmar as a result of temporarily suspended new loans to customers since February 1, 2021. However, AEON Microfinance (Myanmar) Company Limited has resumed providing new loans to existing customers starting January 22, 2022. The subsidiary has continuously reduced operation costs and continued pursuing debt collection accordingly.

However, the Company has been expanding more online service channels to customers and reduced the Company's operation cost. As a result, the Cardless transactions currently accounted for 91% of total personal loan sales.

- Hire Purchase

For the first quarter of 2022, motorcycle and used car hire purchase in Thailand and electrical appliances, mobile phones in overseas business, with the revenues of 267 million baht, decreased by 6 million baht or 2% y-y. In addition, hire purchase income from AEON Specialized Bank (Cambodia) Plc was 172 million baht, increased by 8% y-y and AEON Leasing Service (Lao) Company Limited of 29 million baht, increased by 4% y-y.

- Others

For the first quarter of 2022, other incomes were 780 million baht or 14% of total revenues, showing an increase of 173 million baht or 29% y-y. Other revenues consist of bad debt recovery, which was 385 million baht or 7% of total revenues, gain on sales of written-off receivables was 105 million baht, collection service income was 56 million baht, insurance broker business income was 179 million baht, and others of 54 million baht respectively. Other revenues was mainly from the continued growth of bad debt recovery that increased by 17% y-y caused by the increased of expedite the legal process and insurance broker business income grew by 19% y-y due to high operation through AEON THAI MOBILE Application and Big C counter.

Expenses

The Company's expenses mainly consist of operating and administrative expenses, expected credit loss and finance cost. For the first quarter of 2022, the Company had total consolidated expenses of 4,035 million baht, an increase of 433 million baht or 12% y-y. Details of expenses are shown as follows:

- Operating and Administrative Expenses and other expenses

For the first quarter of 2022, the consolidated operating and administrative expense and other expenses were 2,035 million baht, increased by 112 million baht or 6% y-y due to increase of advertising expense 55% y-y. However, the Company still maintained effective operating cost control with cost to income ratio at 37% of total revenues. Considering the Company's separate financial statement, the operating and administrative expenses as a percentage of revenues was 35%.

- Expected Credit Loss

The consolidated expected credit loss in the first quarter of 2022 amounted to 1,563 million baht, increased by 338 million baht or 28% y-y but dropped by 3% q-q. This result from increasing of written-off receivables as well as the Company has also set management overlay for a hedge with probable forward looking macroeconomics factors. Net credit cost was at 5.1% increased from 4.1% in the first quarter of 2021 but dropped from 5.8% in the last quarter.

- Finance Cost

The Company recorded consolidated finance cost in the first quarter of 2022 of 437 million baht, decreased by 4% y-y, which the portion of finance cost in the first quarter of 2022 was 8% of total revenues. The average funding cost in the first quarter of 2022 was at 2.48% decreased from 2.66% last year.

Net Profit

In the first quarter of 2022, consolidated operating income was reported at 1,450 million baht, an increase of 10 million baht or 1% y-y. The Company recorded net profit of 1,115 million baht, a decrease of 35 million baht or 3% y-y but increased by 22% q-q, earning per share was 4.46 baht.

2. Financial Status

Statement of Financial Position	February 28, 2022	May 31, 2022	Change
Unit : Million Baht			%YoY
Accounts Receivable	91,028	92,728	2%
Total Assets	90,469	93,092	3%
Total Borrowing	65,418	66,362	1%
Total Liabilities	70,205	71,379	2%
Total Equities	20,264	21,713	7%
ROE	19.2%	21.7%	13%
ROA	4.0%	4.9%	23%
D/E Ratio	3.5	3.3	-6%

Total Assets

As of May 31, 2022, consolidated total assets were 93,092 million baht, an increase of 2,623 million baht or 3% from 90,469 million baht as of February 28, 2022 due to new sales in domestic increase by 41% y-y. The main assets were attributed to the portfolio of net account receivables which shared 88% of total assets.

- Accounts Receivable

The Company has accounts receivable of 92,728 million baht as of May 31, 2022, increased by 2% from as of February 28, 2022 due to increase of number of credit cards and spending and relaxing disease prevention of COVID-19. This can be categorized by business type as follows: credit card receivable of 40,807 million baht, increasing by 4% y-y; loans receivable of 46,194 million baht, increased by 1% y-y; hire purchase receivable of 5,641 million baht, decreasing by 4% y-y and others receivable of 86 million baht decreased by 27% from last year accordingly.

- Allowance for expected credit loss

As of May 31, 2022, the Company provided allowance for doubtful accounts of 10,772 million baht or 12% of total accounts receivable, decreasing from 10,951 million baht or 12% of total accounts receivable at the end of previous fiscal year. For default receivables in credit risk (NPL Stage 3) was 5.3% close to the last quarter which decreasing from 5.7% y-y. The consolidated coverage ratio of allowance for expected credit loss to NPL (NPL Coverage ratio) was at 219% decreased from 247% from fiscal year of 2021 and 225% from the previous year.

Liabilities

The consolidated liabilities of the Company as of May 31, 2022 totaling 71,379 million baht, an increase of 1,174 million baht or 2% from 70,205 million baht at the end of previous year. There were both short-term and long-term borrowings totally 66,362 million baht, increasing by 1% from the end of last year. The portion of long-term borrowings was 38,857 million baht or represented 59% of total borrowings. To manage risk that might occur from the fluctuation in currency. The Company has entered cross currency interest rate swap contracts to hedge its debt. In addition, the Company has unused unsecured revolving credit facilities 11,340 million baht and 3,000 million baht unused committed facilities with various financial institutions which is enough to drive the Company's operation. The Company also has the debentures totaling 3,800 million baht that will mature within 12 months, which the Company can issue new debentures or use a working capital to repay as scheduled. In addition, the resolution of the Annual General Meeting of Shareholders for the year 2022 held on June 24, 2022 had approved the issuance and offering of debentures in the amount of not more than 10 billion baht.

Shareholders' Equity

As of May 31, 2022, total equity attributable to owners of the parent amounted to 21,294 million baht, an increase of 1,405 million baht or 7% from the end of fiscal year 2021, Book value as of May 31, 2022 was 85.2 baht per share, increased from that of 79.6 baht per share as of February 28, 2022.

Debt to Equity ratio as of May 31, 2022 was at 3.3 times decreased from 3.5 times at the end of 2021. Return on Equity (ROE) and Return on Asset (ROA) for the first quarter of 2022 are 21.7% and 4.9%, respectively.

Key Financial Ratio	1Q21	FY21	1Q22
Net Profit Margin (%)	22.8%	17.1%	20.3%
Interest Coverage ratio (Times)	4.2	3.6	4.3
Allowance for Expected Credit Loss/ Total Receivables (%)	12.8%	12.0%	11.6%
NPL Coverage Ratio (%)	225%	247%	219%
Cost to Income (%)	38.1%	37.7%	37.1%
Book Value per Share (Baht)	72.6	79.6	85.2
EPS (Baht)	4.60	14.21	4.46