



รายงานประจำปี 2556/2557
(ปีบัญชีสิ้นสุดวันที่ 20 กุมภาพันธ์ 2557)

ANNUAL REPORT 2013/2014
(Fiscal year ended February 20, 2014)



บริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน)
AEON Thana Sinsap (Thailand) Public Company Limited



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จุดเด่นในรอบปีบัญชี 2556

(สิ้นสุดวันที่ 20 กุมภาพันธ์ 2557)

ฐานลูกค้า		CUSTOMER BASE	
■ บัตรเครดิต	2.20 ล้านบัตร	Credit card	2.20 million cards
■ บัตรสมาชิก	4.83 ล้านบัตร	Member card	4.83 million cards
■ จำนวนบัตรรวม	7.03 ล้านบัตร	Total card	7.03 million cards

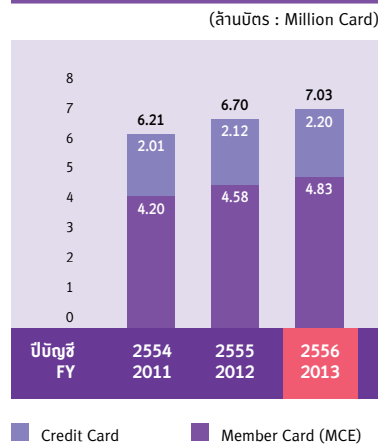
เครือข่ายสาขาและร้านค้า		MEMBER AND BRANCH NETWORKS	
■ สาขา 116 แห่งทั่วประเทศ		116 branches nationwide	
■ เครื่องเบิกและชำระเงินสดอัตโนมัติ 423 เครื่อง		423 ATMs	
■ ร้านคู่ค้ากว่า 16,218 แห่ง		More than 16,218 dealer shops	

ปีบัญชี	FISCAL YEAR	2554 2011	2555 2012	2556 2013
ฐานะการเงิน (ล้านบาท)		FINANCIAL STATUS (MILLION BAHT)		
สินทรัพย์รวม	Total assets	43,985	51,013	60,637
ลูกหนี้การค้า	Accounts receivable	38,751	45,394	54,929
ค่าเผื่อหนี้สงสัยจะสูญ	Allowance for doubtful accounts	2,494	1,620	1,912
หนี้สินรวม	Total liabilities	37,604	43,755	51,729
เงินกู้ยืมและหุ้นกู้	Borrowings and debentures	35,578	39,979	48,256
ส่วนของผู้ถือหุ้นรวม	Total shareholders' equity	6,382	7,258	8,907
ผลการดำเนินงาน (ล้านบาท)		FINANCIAL RESULTS (MILLION BAHT)		
รายได้รวม	Total revenues	10,899	12,232	15,235
ค่าใช้จ่ายในการดำเนินงานและการบริหาร	Operating and administrative expenses	4,064	4,877	6,086
ค่าตอบแทนกรรมการและผู้บริหาร	Directors and managements' remuneration	76	91	108
หนี้สูญและหนี้สงสัยจะสูญ	Bad debts and doubtful accounts	4,530	3,129	3,843
ต้นทุนทางการเงิน	Finance cost	1,658	1,781	2,061
กำไรจากการดำเนินงาน	Operating income	571	2,355	3,137
กำไรสุทธิ	Net income	161	1,688	2,501
ส่วนได้เสียที่ไม่มีอำนาจควบคุม	Non-controlling interest	77	68	0.03
อัตราส่วนทางการเงิน		FINANCIAL RATIOS		
มูลค่าตามบัญชีต่อหุ้น (บาท)	Book value per share (Baht)	25.5	29.0	35.6
กำไรต่อหุ้น (บาท)	Net income per share (Baht)	0.64	6.75	10.01
อัตราผลตอบแทนสินทรัพย์รวม	Return on assets	0.38%	3.55%	4.48%
อัตราผลตอบแทนผู้ถือหุ้น	Return on equity	2.60%	25.20%	30.95%
อัตราเงินปันผลจ่ายต่อกำไรสุทธิ	Dividend payment ratio	325.9%	44.4%	34.5%

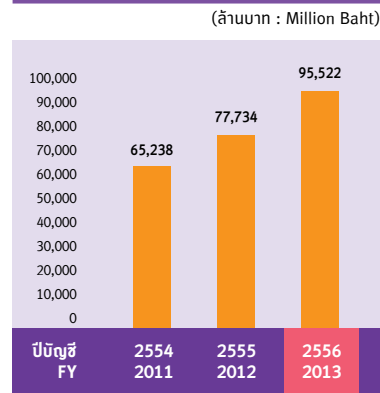
FY2013 HIGHLIGHTS

(สิ้นสุดวันที่ 20 กุมภาพันธ์ 2557)

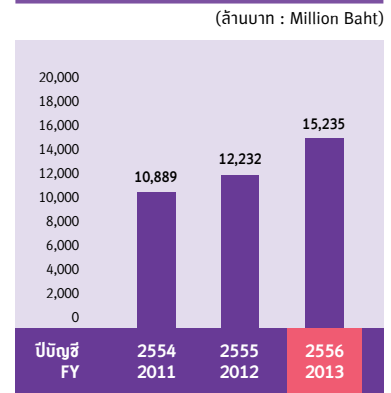
จำนวนบัตร NO. OF CARDS



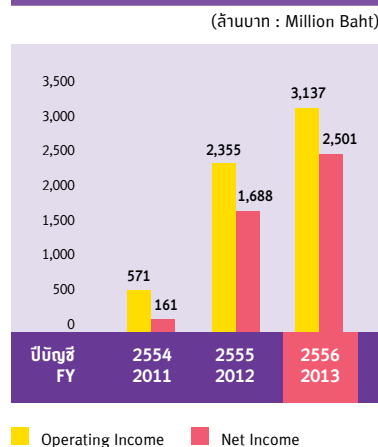
ยอดการให้สินเชื่อ TURNOVERS



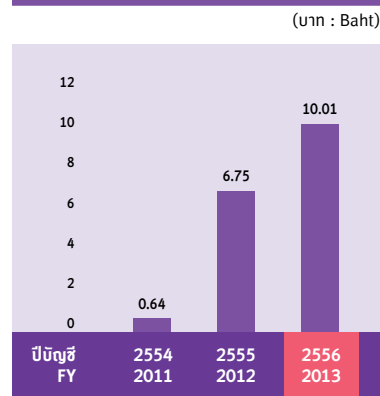
รายได้รวม TOTAL REVENUES



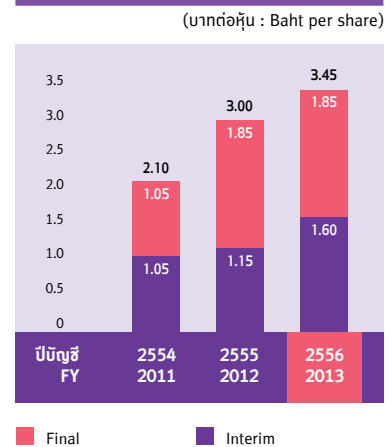
กำไรจากการดำเนินงานและกำไรสุทธิ OPERATING INCOME & NET INCOME



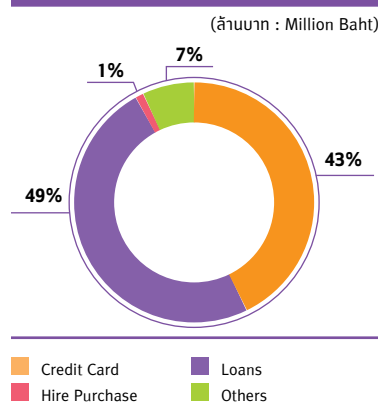
กำไรต่อหุ้น EARNING PER SHARE



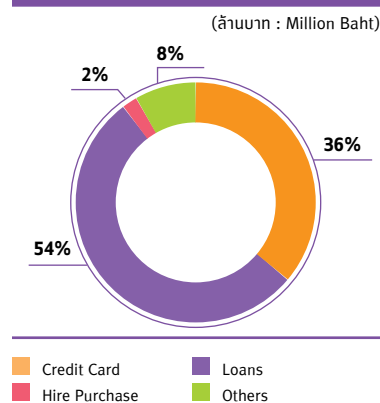
เงินปันผล DIVIDEND



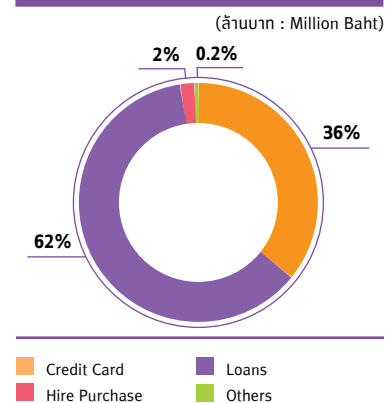
ยอดการให้สินเชื่อ TURNOVERS



โครงสร้างรายได้ REVENUES STRUCTURE



ลูกหนี้การค้า ACCOUNTS RECEIVABLE



การดำเนินงานที่สำคัญในรอบปี

MILESTONES OVER THE YEAR

2556 ◯ 2013

มีนาคม ▪ MARCH



➡ บริษัทฯ ได้ร่วมมือกับบริษัท วุฒิสักดิ์ คลินิก อินเตอร์กรุป จำกัด ผู้นำด้านความงามและผิวพรรณ ในการเปิดตัว “บัตรเครดิต อีออน วุฒิสักดิ์ วีซ่า” เพื่อขยายฐานลูกค้าสู่กลุ่มบริโภคในตลาดสุขภาพและความงาม และเพิ่มสิทธิประโยชน์ให้แก่ลูกค้าที่ถือบัตรเครดิต อีออน วุฒิสักดิ์ วีซ่า เมื่อมาใช้บริการที่วุฒิสักดิ์

➡ The Company joined with Wuttisak Clinic Inter Group Company Limited, Thailand's leading beauty and skin care clinic and launched a new cobranded card aimed to expand consumers base in health and beauty market which offering attracting promotion at Wuttisak clinic.

➡ บริษัทฯ ได้เพิ่มเงินลงทุนใน บริษัท อีออน ไมโครไฟแนนซ์ (ประเทศไทย) จำกัด จำนวน 3 ล้านบาทหรือประมาณ 89.4 ล้านบาท

➡ The Company increased capital investment in AEON Microfinance (Cambodia) Co., Ltd. with the capital injection of USD 3 million or approximately 89.4 million baht.

เมษายน ▪ APRIL



➡ บริษัท อีออน เครดิต เซอร์วิส จำกัด ประเทศญี่ปุ่น ได้มีการจัดโครงสร้างใหม่เป็น Holding Company และเปลี่ยนชื่อเป็น บริษัท อีออน ไฟแนนเชียล เซอร์วิส จำกัด (“อีออน ไฟแนนเชียล เซอร์วิส”) เมื่อวันที่ 1 เมษายน 2556 อย่างไรก็ดีตามที่อยู่ตามจดทะเบียน และสัดส่วนการลงทุนใน บริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน) ยังคงเหมือนเดิม

➡ AEON Credit Service Co., Ltd. in Japan (AEON Credit Service) who is one of the major shareholders of AEON Thana Sinsap (Thailand) Company Limited has resolved the transition to a holding company and changed its name to AEON Financial Service Co., Ltd. (AEON Financial Service) effective from April 1, 2013 onwards. That the aforesaid change does not result in any change in shareholding of AEON Financial Service in AEON Thana Sinsap (Thailand) Company Limited or the business operation of AEONTS.



➡ บริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน) และบริษัทในเครือ ได้รับการรับรองมาตรฐานการจัดการด้านความมั่นคงปลอดภัยของข้อมูล (ISO27001:2005) จาก บริษัท บูโร เวอร์ริทัส เซอทิฟิเคชั่น (ประเทศไทย) จำกัด ซึ่งการรับรองนี้เป็นมาตรฐานการปกป้องคุ้มครองข้อมูลด้วยวิธีการที่ดีที่สุดในระดับสากล

➡ AEON Thana Sinsap (Thailand) Company Limited and subsidiaries obtain ISO27001: 2005 certification from Bureau Veritas Certification (Thailand) Limited which is to certify that the company has obtained the best Information Security Management Systems at an international standard.

พฤษภาคม ▪ MAY



➡ บริษัทฯ ได้เปิดตัวห้องพักรับรองพิเศษ “AEON Lounge” ที่เป็นห้องพักรับรองลูกค้าอีออนแห่งแรกในประเทศไทย ซึ่งตั้งอยู่ ณ ศูนย์การค้าเซ็นทรัลเวิลด์ เพื่อรองรับลูกค้าผู้ถือบัตรเครดิตรอยัล ออร์คีด พลัส แพลทินัม และบัตรเครดิตอีออน โกลด์ ในประเทศไทย รวมทั้ง

ลูกค้าผู้ถือบัตรเครดิตอีออนจากญี่ปุ่นและประเทศในเอเชียที่มีธุรกิจของอีออนดำเนินการอยู่

➡ The Company announced the first “AEON Lounge” in Thailand, at Central World department store. This lounge is available for complimentary use by gold card and platinum card members in Thailand. Including AEON card members from Japan and Asian countries.

➡ บริษัทฯ ได้ระดมทุนในประเทศญี่ปุ่น โดยการเสนอขายหุ้นกู้ดอกเบี้ยเพื่อการแปลงสินทรัพย์เป็นหลักทรัพย์ ผ่านบริษัท อีเทอนอล 6 นิติบุคคลเฉพาะกิจ จำกัด (“บริษัทนิติบุคคลเฉพาะกิจจำกัด”) มูลค่าเงินรวมไม่เกิน 3,000 ล้านบาท โดยมีระยะเวลาในการกู้ยืม 3-5 ปี

➡ The Company raised cross-border funding from Japan by issuance and offering of newly-issued debentures under a securitization scheme through Eternal 6 Special Purpose Vehicle Co., Ltd. (“SPC”) with the amount up to 3,000 million baht with a 3-5 years tenor.

กรกฎาคม ▪ JULY



➡ บริษัทฯ ได้เปิดตัวบริษัท อีออน อินชัวร์นส์ เซอร์วิส (ประเทศไทย) จำกัด อย่างเป็นทางการ ซึ่งเป็นบริษัทใหม่ที่เกิดขึ้นจากการควบรวมบริษัทย่อย 2 บริษัท คือบริษัท เอชไอเอส อินชัวร์นส์ โบรคเกอร์ (ประเทศไทย) จำกัด และบริษัท เอชไอเอส ไลฟ์อินชัวร์นส์ โบรคเกอร์ (ประเทศไทย) จำกัด โดยแบ่งเป็น 2 บริการหลัก ได้แก่ การให้บริการในส่วนของการรับประกันวินาศภัย และนายหน้าประกันชีวิต

➡ The Company established a new subsidiary, namely AEON Insurance Service (Thailand) Co., Ltd., which were amalgamated from two insurance subsidiaries, ACS Insurance Broker (Thailand) Co., Ltd. and ACS Life Insurance Broker (Thailand) Co., Ltd. There are 2 main services, non-life insurance brokerage services and life insurance brokerage services.



➔ บริษัทฯ ได้จับมือกับ 2 บริษัทยักษ์ใหญ่ คือ บริษัท เมเจอร์ ซินีเพล็กซ์ กรุ๊ป จำกัด (มหาชน) ผู้นำกลุ่มธุรกิจเอนเตอร์เทนเมนต์และบริษัท แมค ไทย จำกัด ผู้นำกลุ่มธุรกิจร้านอาหารบริการด่วนของประเทศไทย เปิดตัวแคมเปญ “สุขได้ทุกวัน กับบัตรเครดิตอออน” โดยมอบสิทธิประโยชน์มากมายแก่ ผู้ถือบัตรเครดิตอออนโกลด์และคลาสสิก

➔ The Company launched the privilege campaign for Gold and Classic cardholders with 2 major partners, Major Cineplex Group Plc, the largest entertainment network and McThai Co.,Ltd., the largest fast food restaurant network in Thailand under a theme “Everyday Happiness with AEON Credit Card”.

สิงหาคม ■ AUGUST



➔ บริษัทฯ ได้เปิดศูนย์ปฏิบัติการแห่งใหม่ที่อำเภอศรีราชา จังหวัดชลบุรี เพื่ออำนวยความสะดวกสบายและรองรับการขยายตัวของลูกค้าในต่างจังหวัดที่มียอดขายที่สูงขึ้น

➔ The Company set up a new operation center at Sriracha Center in Chonburi province to increase workforce and support customer growth in provinces.



➔ บริษัทฯ ได้เปิดตัวบริการรับชำระเงิน AEON Easy Pay เพื่อให้ร้านค้าสมาชิกของอออน

สามารถใช้สมาร์ทโฟนเชื่อมกับการชำระเงินแบบอิเล็กทรอนิกส์ เพื่อเพิ่มความสะดวกสบายในการจับจ่ายใช้สอยให้กับผู้ถือบัตรเครดิตทั่วประเทศ

➔ The Company launched “AEON Easy Pay”, a new payment service that AEON Dealers can use Smartphone connect with electronic payments. This payment function will facilitate credit cardholders nationwide.

กันยายน ■ SEPTEMBER

➔ บริษัทฯ ได้เพิ่มเงินลงทุนใน บริษัท อออน ไมโครไฟแนนซ์ (ประเทศไทย) จำกัด จำนวน 1 ล้านเหรียญสหรัฐ หรือประมาณ 32.0 ล้านบาท

➔ The Company increased capital investment in AEON Microfinance (Myanmar) Co., Ltd. with the capital injection of USD 1 million or approximately 32.0 million baht.

ตุลาคม ■ OCTOBER



➔ บริษัทฯ ได้ร่วมมือกับ บริษัท เอช.ไอ.เอส. ทัวริส จำกัด เปิดตัว บัตรเครดิต อออน เอช.ไอ.เอส. คอร์ปอเรท การ์ด โดยเป็นบัตรเครดิตเพื่อผู้บริหาร และพนักงานในองค์กร ซึ่งอำนวยความสะดวกในการใช้จ่ายเพื่อการเดินทางติดต่อธุรกิจขององค์กร

➔ The Company joined with H.I.S. Tours Company Limited and launched AEON H.I.S. Corporate Card – a premium credit card targets on corporate executives and employees, to ensure extra convenience for business travelling.

➔ บริษัทฯ ได้เปิดสาขาใหม่ “สาขางังซีลอน จังหวัดภูเก็ต” ที่มีการปรับปรุงลักษณะของสาขาให้ต่างไปจากเดิม เพื่ออำนวยความสะดวกสบายด้วยการมอบบริการที่ดีที่สุดให้แก่ลูกค้า พร้อมทั้งมีแผนในการปรับปรุงภาพลักษณ์และยกระดับคุณภาพบริการของสาขาทั่วประเทศ



➔ The Company opened a new branch at Jungcelon Phuket which was renovated to facilitate customers with the best services. The Company has planed to renovate our all branches to increase quality of branch services and our brand awareness for our customers.

ธันวาคม ■ DECEMBER



➔ บริษัทฯ ได้ร่วมมือกับบริษัท สยามฟิวเจอร์ ดีเวลอปเม้นท์ จำกัด (มหาชน) เปิดตัวแคมเปญ “Season of Happiness” เพื่อตอบแทนลูกค้า ด้วยการมอบสิทธิพิเศษมากมายให้แก่ผู้ถือบัตรเครดิตอออน และส่งมอบความสุขตลอดช่วงเทศกาลแห่งการเฉลิมฉลอง

➔ The Company joined with Siam Future Development Public Company Limited and launched campaign “Season of Happiness” to reward customers by offering special benefits for AEON card members and deliver happiness throughout the season of celebration.

2557 ■ 2014

มกราคม ■ JANUARY

➔ บริษัทฯ ได้เพิ่มเงินลงทุนใน บริษัท อออน ไมโครไฟแนนซ์ (ประเทศไทย) จำกัด จำนวน 1 ล้านเหรียญสหรัฐ หรือประมาณ 32.7 ล้านบาท

➔ The Company increased capital investment in AEON Microfinance (Myanmar) Co., Ltd. with the capital injection of USD 1 million or approximately 32.7 million baht.

สารถึงผู้ถือหุ้น



สภาพเศรษฐกิจไทยปี 2556 ในช่วงครึ่งปีหลัง มีแนวโน้มชะลอตัวลงอย่างต่อเนื่อง เป็นผลจากอุปสงค์ในประเทศและภาคการส่งออกที่ชะลอตัวลง โดยดัชนีการบริโภคภาคเอกชน สะท้อนให้เห็นว่าภาคครัวเรือนเริ่มชะลอการใช้จ่าย หลังจากที่รัฐบาลยุติโครงการคืนภาษีรถยนต์คันแรก ประกอบกับภาระหนี้สินครัวเรือนที่เพิ่มสูงขึ้น และความเชื่อมั่นของผู้บริโภคที่ปรับตัวลดลงตามความไม่แน่นอนของสภาวะทางเศรษฐกิจและการเมืองในประเทศ ซึ่งทำให้ผู้บริโภคชะลอการใช้จ่ายมากขึ้น ขณะที่ดัชนีการลงทุนภาคเอกชนชะลอตัวลง เนื่องจากความล่าช้าของการดำเนินการตามแผนการลงทุนที่สำคัญของภาครัฐ

ในปีบัญชี 2556 สิ้นสุดวันที่ 20 กุมภาพันธ์ 2557 นี้ บริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน) จึงได้มุ่งเน้นที่จะให้บริการที่สะดวกสบายแก่ลูกค้าผ่านการให้บริการสินเชื่อในรูปแบบต่างๆ ของบริษัทฯ ด้วยบริการที่สร้างความพึงพอใจสูงสุดแก่ลูกค้าและร้านค้า ซึ่งจากการดำเนินธุรกิจภายใต้นโยบายดังกล่าว ส่งผลให้ผลการดำเนินงานของบริษัทฯ เติบโตและมีกำไรที่โดดเด่นจากความสำเร็จในการเพิ่มจำนวนบัตรที่มากขึ้นทั้งในกรุงเทพฯ และต่างจังหวัด นอกจากนี้เรายังใช้กลยุทธ์การขยายธุรกิจไปยังประเทศกัมพูชา, พม่า, ลาว และเวียดนาม โดยลงทุนใน บริษัท อีออน ไมโครไฟแนนซ์ (ประเทศกัมพูชา) จำกัด, บริษัท อีออน ไมโครไฟแนนซ์ (เมียนมาร์) จำกัด, บริษัท อีออน ลิสซิ่ง เซอร์วิส (ลาว) จำกัด และ บริษัท เอซีเอส เทรดิง เวียดนาม จำกัด อีกทั้งยังส่งผลให้บริษัทฯ ก้าวสู่การเป็นผู้นำตลาดสินเชื่อรายย่อยในแถบประเทศอาเซียนอีกด้วย

เพื่อเพิ่มจำนวนสมาชิกใหม่ของธุรกิจบัตรเครดิต และธุรกิจสินเชื่อเงินกู้ทั้งในกรุงเทพฯ และต่างจังหวัด รวมทั้งอำนวยความสะดวกสบายด้วยการมอบบริการที่ดีที่สุดให้แก่ลูกค้า โดยเราได้มีการปรับปรุงภาพลักษณ์และยกระดับคุณภาพบริการของสาขา ซึ่งเป็นอีกกลยุทธ์หนึ่งที่ทางบริษัทได้ให้ความสำคัญอย่างต่อเนื่อง และยังมีการเปิดศูนย์ปฏิบัติการแห่งใหม่ที่อำเภอศรีราชา จังหวัดชลบุรี เพื่อรองรับการขยายตัวของลูกค้าในต่างจังหวัดที่มียอดขายที่สูงขึ้น นอกจากนี้ยังมีการจัดทำโปรโมชั่นกับคู่ค้าชั้นนำทางธุรกิจที่มีศักยภาพ อาทิเช่น วุฒิสถิตคสิณิค การทางพิเศษแห่งประเทศไทย บริษัท เอช.ไอ.เอส.ทาวर्स จำกัด บริษัท แมคไทย จำกัด และ บริษัท เมเจอร์ ซินีเพล็กซ์ กรุ๊ป จำกัด (มหาชน) รวมทั้งได้มีการขยายช่องทางการเบิกถอนเงินสดให้แก่ลูกค้า โดยลูกค้าไม่เพียงสามารถเบิกถอนเงินสดได้ที่ตู้ ATM ของอีออนเท่านั้น แต่ยังสามารถเบิกถอนเงินสดได้จากตู้ ATM ของธนาคารหลักๆ ที่มีเครือข่ายเชื่อมโยงกับอีออน รวมทั้งสามารถเบิกถอนเงินสดได้ที่ บริษัท ไพรเชนียไทย จำกัด และเคาน์เตอร์เซอร์วิส ที่เซเว่น อีเลฟเว่น รวมทั้งสิ้นกว่า 30,000 แห่ง

จากความมุ่งมั่นและพยายามของเราในการทำโปรโมชั่นร่วมกับคู่ค้าชั้นนำทางธุรกิจที่มีศักยภาพ ส่งผลให้จำนวนฐานลูกค้าของเราเพิ่มขึ้น 328,000 บัตรจากปีก่อน โดยเพิ่มเป็น 7.03 ล้านบัตร และจำนวนสมาชิกที่ใช้บริการสินเชื่อเพิ่มขึ้นร้อยละ 8 จากปีก่อน เป็นจำนวน 2.24 ล้านราย โดยเป็นผลมาจากการใช้บัตรเครดิตที่เพิ่มขึ้นร้อยละ 27 และยอดสินเชื่อเงินกู้ที่เพิ่มขึ้นร้อยละ 18 จากปีก่อน ซึ่งส่งผลให้บริษัทฯ มีรายได้ จำนวน 15,235 ล้านบาท เพิ่มขึ้นร้อยละ 25 จากปีก่อนและมีกำไรสุทธิส่วนที่เป็นของบริษัทใหญ่ 2,501 ล้านบาท คิดเป็นการเติบโตร้อยละ 48 จากปีก่อน ซึ่งสูงสุดเป็นประวัติการณ์ตั้งแต่การจัดตั้งบริษัทฯ ขึ้นในปี 2535

บริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน) ยังคงเดินหน้านำสู่เป้าหมายของการเป็นผู้นำตลาดสินเชื่อรายย่อยในประเทศ บริษัทฯ มีเป้าหมายที่จะขยายการรวมกลุ่มธุรกิจ และเพิ่มมูลค่าองค์กรผ่านการบริหารแบบองค์รวม อีกทั้งยังเพิ่มความพึงพอใจสูงสุดให้แก่ลูกค้า ผ่านการบริการที่สะดวก ปลอดภัยและเต็มไปด้วยสิทธิประโยชน์ ซึ่งมีความมุ่งมั่นที่จะทำให้บริษัทมีการเติบโตอย่างต่อเนื่อง และเตรียมพร้อมที่จะขยายธุรกิจไปยังแถบประเทศอาเซียน ในขณะเดียวกัน บริษัทฯ ได้ตระหนักถึงความสำคัญของ

MESSAGE TO SHAREHOLDERS



The Thai economy in the second half of 2013 has continued to slow down, due to decelerate private domestic demand and export growth. The private consumption index reflected a significant drop in household spending, which was a result of the fading out effects of the government's first-time car buyer tax rebate program, increased household debt and declining consumer confidence due to the Thai economic and political uncertainty causing consumers to be more cautious about spending. The private investment index also showed a slow down due to the slow progress in the government's mega project investments.

The fiscal year 2013 that ended February 20, 2014. AEON Thana Sinsap (Thailand) Plc. (AEONTS) has aimed to provide financial service with more convenience and satisfaction to customers and member stores. Directed by these strategies, remarkable growth and profitability with the achievement of number of cards expansion in Bangkok and provinces. We also strategies company's position as a hub for expansion in Cambodia, Myanmar, Lao and Vietnam by major shareholders investment in AEON Microfinance (Cambodia) Co., Ltd. AEON Microfinance (Myanmar) Co., Ltd. AEON Leasing Service (Lao) Co., Ltd and ACS Trading Vietnam Co., Ltd. This will consequently lead the company to be a leading retail finance company in ASEAN countries.

Regarding credit card and loan businesses, in order to attract new customers in Bangkok and the provinces as well as facilitate our customers with the best service, we have renovated our branches and increased the quality of branch services to increase our brand awareness for our customers. We also continue to improve collection performance by setting up a new operation center at Sriracha Center in Chonburi province, which will increase our workforce in order to support customer growth in the provinces. In addition, we continued a joint promotion with valued business partners (i.e. Wuttisak Clinic, The Expressway Authority of Thailand, H.I.S. Tours, McDonald's and Major Group) and expanded cash withdrawal channels, not only through our ATMs but also major bank alliance networks, Thailand Post Office, and Counter Service at 7-11 shops now totaling more than 30,000 service channels.

With our efforts through joint promotions with business alliances, our customer base has increased by 328,000 cards from the previous year to approximately 7.03 million cards, and the number of ID base has increased by 8% from last year to 2.24 million IDs driven by credit card usage, which is up by 27% and loan growth of 18% year on year. As a result, revenue of 15,235 million baht increased by 25% from last year and net profit attributable to owners of the parent of 2,501 million baht increased by 48% from last year – top record of profitability since establishment in 1992.

AEON Thana Sinsap (Thailand) Plc. (AEONTS) is now one of the leading retail finance companies in Thailand. The company aims to maximize the group synergy and enhance corporate value through management integration and maximizing customers' satisfaction through the provision of services that are convenient, safe and beneficial to customers. We are committed to the company's sustainable growth and readiness to expand in ASEAN countries. In the same period, in order to create good corporate governance, we have set up a Risk Management Committee and a Compliance Committee, which covers subsidiary companies in domestic areas and overseas. In addition, we have

การกำกับดูแลกิจการที่ดี เราได้จัดตั้งคณะกรรมการบริหารความเสี่ยงและคณะกรรมการกำกับดูแลการปฏิบัติงานขึ้น ซึ่งครอบคลุมทั้งบริษัทย่อยในประเทศและต่างประเทศ นอกจากนี้บริษัทฯ ได้เล็งเห็นถึงการดูแลและพัฒนาคุณภาพของบุคลากรโดยมีการปรับปรุงศูนย์ปฏิบัติงาน และสนับสนุนให้พนักงานได้รับโอกาสที่ดีในสายงานของตนเอง รวมทั้งยังส่งเสริมการปรับปรุงสภาพแวดล้อมในการทำงานให้ดียิ่งขึ้น อาทิเช่น การเปิดโอกาสให้พนักงานสามารถร้องเรียน เมื่อพบการกระทำที่เสี่ยงต่อการเกิดการทุจริตภายในองค์กร ซึ่งจากนโยบายดังกล่าวจะช่วยส่งเสริมให้พนักงานเกิดทัศนคติและความพึงพอใจในการทำงาน เพื่อให้บรรลุเป้าหมายของ บริษัทฯ ร่วมกัน โดยปรัชญาการบริหารจัดการของเราคือ การสนับสนุนและส่งเสริมให้ลูกคามีโอกาสในการใช้จ่ายผ่านบัตรเครดิตได้อย่างมีประสิทธิภาพ

แผนการดำเนินงานในปีบัญชี 2557

จากสภาวะเศรษฐกิจในประเทศไทยในช่วงไตรมาสแรกยังคงมีแนวโน้มชะลอตัวลง เนื่องจากยังคงได้รับแรงกดดันอย่างหนักจากปัญหาความขัดแย้งด้านการเมืองในประเทศ ซึ่งส่งผลกระทบต่อความเชื่อมั่นด้านการลงทุนและการบริโภคในประเทศให้ปรับตัวลดลง อย่างไรก็ตามเรายังคงมุ่งเน้นไปยังธุรกิจบัตรเครดิต และสินเชื่อส่วนบุคคล ซึ่งเป็นธุรกิจหลักของบริษัทฯ โดยเน้นการเพิ่มยอดขายให้สินเชื่อจากการเพิ่มจำนวนสมาชิกรวมทั้งการเพิ่มสิทธิประโยชน์ต่างๆ และความสะดวกสบายในการใช้บัตรเครดิตแก่ลูกค้า นอกจากนี้บริษัทฯ ได้ออกมาตรการเพื่อรับมือกับผลกระทบดังกล่าว เช่น การทบทวนมาตรฐานการพิจารณาสินเชื่อ การนำเสนอกิจกรรมทางการตลาดที่เหมาะสม และ ปรับปรุงการติดตามหนี้ให้มีประสิทธิภาพมากยิ่งขึ้น

ในปีนี้ บริษัทฯ จะเพิ่มสิทธิประโยชน์บัตรให้มากขึ้นกว่าปีที่ผ่านมา จะเน้นสิทธิประโยชน์ที่ใช้ได้ในชีวิตประจำวัน อีกทั้งเรายังวางแผนที่จะออกบัตรร่วม (Co-Branded Card) เพิ่มขึ้น เพื่อยกระดับภาพลักษณ์ของบริษัทฯ และให้เข้าถึงกลุ่มลูกค้าใหม่มากยิ่งขึ้น รวมทั้งเพิ่มรายการส่งเสริมการขายร่วมกับพันธมิตรชั้นนำทางธุรกิจต่างๆ ในประเทศไทยด้วย ในปัจจุบันแนวโน้มการใช้สมาร์ตโฟนและอินเทอร์เน็ตเพิ่มมากขึ้น ดังนั้นเราจึงได้พัฒนาโปรแกรมการทำธุรกรรมผ่านสื่อออนไลน์ให้มากยิ่งขึ้น นอกจากนี้บริษัทฯ ได้ริเริ่มธุรกิจใหม่เพื่อเป็นการเพิ่มแหล่งรายได้ให้กับบริษัท อาทิเช่น ระบบชำระเงินออนไลน์ผ่านอินเทอร์เน็ต และระบบชำระเงินออนไลน์ผ่านสมาร์ตโฟน อีกทั้งแนวโน้มที่เอเชียจะกลายเป็นภูมิภาคที่ขับเคลื่อนเศรษฐกิจโลก ดังนั้น เราจึงได้ขยายธุรกิจไปยังประเทศเพื่อนบ้านที่มีการเติบโตทางเศรษฐกิจอย่างรวดเร็วในปัจจุบัน

ห้างสรรพสินค้าออนไลน์ ซึ่งเป็นหนึ่งในร้านค้าปลีกที่ใหญ่ที่สุดของญี่ปุ่น โดยจะเปิดให้บริการเป็นครั้งแรก ในเดือนมกราคม 2557 ที่นครโฮจิมินห์ ประเทศเวียดนาม และคาดว่าจะเปิด ห้างสรรพสินค้าออนไลน์ ที่ประเทศกัมพูชา ในเดือนมิถุนายน 2557 เพื่อรองรับการเติบโตของบริษัทย่อยของเราในประเทศนั้นๆ

ถึงแม้ว่าการแข่งขันของธุรกิจสินเชื่อรายย่อยจะมีความรุนแรงเพิ่มขึ้น เรายังคงมีความเชื่อมั่นในศักยภาพและการพัฒนาตนเองเพื่อเพิ่มความแข็งแกร่งให้กับภาพลักษณ์ของบริษัทฯ และเพื่อดำรงไว้ซึ่งผลประโยชน์ที่น่าพึงพอใจและสร้างมูลค่าเพิ่มให้กับผู้มีส่วนได้เสียทุกฝ่าย

นอกจากการดำเนินธุรกิจทางด้านสินเชื่อรายย่อย บริษัทฯ ได้ให้ความสำคัญต่อการดำเนินธุรกิจภายใต้หลักการกำกับดูแลกิจการที่ดี รวมถึงการบริหารจัดการความมั่นคงปลอดภัยของข้อมูลส่วนบุคคลเพื่อรักษาและปกป้องข้อมูลของลูกค้า ตลอดจนตระหนักถึงหน้าที่และความรับผิดชอบต่อสังคมสิ่งแวดล้อมเสมอมา ซึ่งในปีที่ผ่านมามูลนิธิอโชนประเทศไทยได้มีการจัดกิจกรรมอย่างต่อเนื่อง เช่น การสนับสนุนและส่งเสริมการการอนุรักษ์ป่าไม้โดยการจัดการกิจกรรมปลูกป่า การส่งเสริมการศึกษาโดยการมอบทุนการศึกษาและบริจาคสิ่งของให้กับโรงเรียน รวมทั้งการเข้าร่วมกิจกรรมบริจาคโลหิตอย่างต่อเนื่องกับสภากาชาดไทย

สุดท้ายนี้ บริษัท อโชน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน) ขอส่งความตั้งใจไปยังผู้ถือหุ้น นักลงทุน ลูกค้า และคู่ค้าทางธุรกิจทุกท่าน สำหรับการให้การสนับสนุนและร่วมธุรกิจกับบริษัทฯ อย่างต่อเนื่องเสมอมา และขอแสดงความขอบคุณไปยังผู้บริหารทุกท่าน และพนักงานทั้งหมดของเราสำหรับความร่วมมือ ซึ่งเรายังคงต้องการการสนับสนุนจากทุกท่านอย่างต่อเนื่องในปีต่อไป ไปเช่นกัน

นายมาซาโนริ โคซากะ

ประธานกรรมการ

MR. MASANORI KOSAKA

Chairman of the Board

renovated operation centers, developed career opportunities, and promoted the culture of a good working environment implementing a whistle blowing policy for properly addressing any situations where a staff raises a concern about a risk, malpractice or wrongdoing in the workplace. These will encourage employee's values, attitudes and behaviors to achieve the Company's outcomes and in line with our management philosophy which is to "support customers' lifestyles and enable each individual to maximize future opportunities through effective use of credit".

PLANS FOR FISCAL YEAR 2014

In the first quarter of 2014, the Thai economy continues to be impacted by political unrest driving declines in investor confidence and domestic consumption. We continue focusing on our core businesses, the credit card and personal loan business, and to improve transaction volume by increasing card-member recruitment and enhancing the convenience of credit card usage. We are also reviewing judgment standards, marketing methods and enhanced collection activity.

This year we would like to strengthen the credit card business and enhance the card functions and privileges, which are relevant for daily life more than in the last year. In addition, we plan to proceed issuing a new co-branded card to increase our brand image and reach more customer segmentation aiming to launch joint promotion campaigns with other top business alliances in Thailand. With our usage trend of smart phone and internet has increased so we need to focus on developing the applications for the services related to Digital online in smart phone and internet. Additionally, we have launched Payment Gateway and smart phone settlement service as new revenue sources. Asia's commitment to growth will drive the global economy so we need to expand our business in neighboring countries where the economies are growing rapidly.

AEON Mall, one of Japan's largest retailers, opened its first shopping mall location in Ho Chi Minh City, Vietnam in January 2014, and AEON Mall Cambodia is expected to be opened in June 2014. These locations will sustain growth for our subsidiaries in Vietnam and Cambodia.

Although the competition in the retail finance business has become more aggressive, we believe in our ability to develop ourselves and strengthen our corporate image in order to maintain a good operating result and deliver value for our subsidiaries shareholders.

In addition to focusing on our retail finance business, we continue to adhere to the principle of good corporate governance and Information Security Management System (ISMS) in order to promote secure management of personal information and protect customer information as well as maintain corporate social responsibility. As a part of society, AEON Thailand foundation has continued several activities in the past year to support and promote forest preservation with forest plantation activities and enhancing education by providing scholarships and donation to schools, as well as supporting blood donation activities along with the Thai Red Cross Society.

We, AEON Thana Sinsap (Thailand) Public Company Limited would like to take this opportunity to express our sincere appreciation to our shareholders, investors, customers and business partners for their continuous support and interest in the Company, and we would also like to extend our thanks to the management and all staff for their cooperation.

นายยาสุฮิโกะ คอนโดะ

รองประธานกรรมการ และกรรมการผู้จัดการ

MR. YASUHIKO KONDO

Vice Chairman of the Board and Managing Director

คณะกรรมการบริษัทฯ BOARD OF DIRECTORS



นายมาซาโนริ โคซากะ
ประธานกรรมการ

MR. MASANORI KOSAKA
Chairman of the Board



นายยาซูฮิโกะ คอนโดะ
รองประธานกรรมการ และกรรมการผู้จัดการ

MR. YASUHIKO KONDO
Vice Chairman of the Board and Managing Director



นางสุพร วัฒนเวคิน
กรรมการ

MRS. SUPORN WATTANAWEKIN
Director



นางสาวกณิกา เกื้อศิริกุล

กรรมการ

MS. KANNIKA KURSIRIKUL

Director



นางจิราพร คงเจริญวนิช

กรรมการ

MRS. JIRAPORN KONGCHAROENWANICH

Director



นายจุน ซูซูกิ

กรรมการ

MR. JUN SUZUKI

Director



นายชิโร อิซิดะ

กรรมการ

MR. SHIRO ISHIDA

Director



นายชัชวาลย์ เจียรวนนท์

กรรมการ

MR. CHATCHAVAL JIAVANON

Director



นายพนพันธ์ เมืองโคตร

กรรมการอิสระ และประธานกรรมการตรวจสอบ

MR. NOPPUN MUANGKOTE

Independent Director and Chairman of Audit Committee



นายเดช บุลสุข

กรรมการอิสระ และกรรมการตรวจสอบ

MR. DEJ BULSUK

Independent Director and Audit Committee Member



นายสุนิจิ โคบายาชิ

กรรมการอิสระ และกรรมการตรวจสอบ

MR. SHUNICHI KOBAYASHI

Independent Director and Audit Committee Member



ดร. สุจริต คุณธนกุลวงศ์

กรรมการอิสระ

DR. SUCHARIT KOONTANAKULVONG

Independent Director

■ กรรมการบริหาร
Executive Director

■ กรรมการ
Director

■ กรรมการอิสระและกรรมการตรวจสอบ
Independent Director and Audit Committee

■ กรรมการอิสระ
Independent Director

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สาขาทั่วประเทศ



The Emporium exclusive with AEON

สะสมแต้มสุด... เป็นสิริในเครื่องรับ
สินค้าที่นำบัตรนี้ไปใช้ตามร้านที่เข้าร่วม

1,000 บาท / ปี

1.000 - 2.000 บาท : 10%
2.000 - 5.000 บาท : 15%
5.000 - 10.000 บาท : 20%
10.000 - 20.000 บาท : 25%
20.000 บาทขึ้นไป : 30%

1.000 บาท : 10%
2.000 บาท : 15%
5.000 บาท : 20%
10.000 บาท : 25%
20.000 บาทขึ้นไป : 30%

1.000 บาท : 10%
2.000 บาท : 15%
5.000 บาท : 20%
10.000 บาท : 25%
20.000 บาทขึ้นไป : 30%

1.000 บาท : 10%
2.000 บาท : 15%
5.000 บาท : 20%
10.000 บาท : 25%
20.000 บาทขึ้นไป : 30%

YOURCASH! ดลอรันปีใหม่ 2014

เพื่อต้อนรับปีใหม่ด้วยของขวัญอย่างงาม
ทุกๆ การเบิกถอนครั้งใหม่ 1,000 บาท* รับ 1 สิทธิ์

เดือนละ 30 เครื่อง

1.000 บาท : 10%
2.000 บาท : 15%
5.000 บาท : 20%
10.000 บาท : 25%
20.000 บาทขึ้นไป : 30%

AEON Happy Point

1.000 - 2.000 บาท : 10%
2.000 - 5.000 บาท : 15%
5.000 - 10.000 บาท : 20%
10.000 - 20.000 บาท : 25%
20.000 บาทขึ้นไป : 30%

1,500 บาท / ปี

5,000 บาท / ปี

สุขได้ทุกวัน...

กับบัตร AEON Happy Point

1.000 - 2.000 บาท : 10%
2.000 - 5.000 บาท : 15%
5.000 - 10.000 บาท : 20%
10.000 - 20.000 บาท : 25%
20.000 บาทขึ้นไป : 30%

AEON Happy Point

1.000 - 2.000 บาท : 10%
2.000 - 5.000 บาท : 15%
5.000 - 10.000 บาท : 20%
10.000 - 20.000 บาท : 25%
20.000 บาทขึ้นไป : 30%

2,000* บาท / ปี

1,500 บาท / ปี

AEON Happy Point

1.000 - 2.000 บาท : 10%
2.000 - 5.000 บาท : 15%
5.000 - 10.000 บาท : 20%
10.000 - 20.000 บาท : 25%
20.000 บาทขึ้นไป : 30%

2,000* บาท / ปี

1,500 บาท / ปี

สะสมไมล์ได้เร็วกว่า...

พิเศษ ทุก 10 บาท รับ 1 ไมล์
เมื่อซื้อบัตรโดยสารทุกประเภทที่การบินไทย**

1.000 - 2.000 บาท : 10%
2.000 - 5.000 บาท : 15%
5.000 - 10.000 บาท : 20%
10.000 - 20.000 บาท : 25%
20.000 บาทขึ้นไป : 30%

AEON Happy Point

1.000 - 2.000 บาท : 10%
2.000 - 5.000 บาท : 15%
5.000 - 10.000 บาท : 20%
10.000 - 20.000 บาท : 25%
20.000 บาทขึ้นไป : 30%

2,000* บาท / ปี

1,500 บาท / ปี

BACKGROUND

AEON Thana Sinsap (Thailand) Public Company Limited (“the Company”) was incorporated on September 18, 1992 by AEON Credit Service Co., Ltd. in Japan (“AEON Credit Service”). The Company currently has paid up capital of 250 million baht. AEON Credit Service, the major shareholder of the Company, was listed 1st section on the Tokyo Stock Exchange and provided financial services, including credit card, hire purchase, personal loan, and other services.

AEON Credit Service Co., Ltd. in Japan (AEON Credit Service) who is one of the major shareholders of AEON Thana Sinsap (Thailand) Company Limited has resolved the transition to a holding company and as of today changes its name to AEON Financial Service Co., Ltd. (AEON Financial Service) effective from April 1, 2013 onwards. That the aforesaid change does not result in any change in shareholding of AEON Financial Service in AEON Thana Sinsap (Thailand) Company Limited. or the business operation of AEONTS. AEON Financial Service has expanded its business to other Asian countries such as Hong Kong, Thailand, Malaysia, Philippines, Indonesia, China, Taiwan, Vietnam, Cambodia, India, Laos and Myanmar, respectively.

Financial service business in each region will focus on consumer in that area. Hence, such businesses have no conflict of interest.

OVERVIEW OF THE COMPANY'S BUSINESS

At present, the Company's principal business activity is the provision of a variety of retail finance services, including credit card, hire purchase, personal loan, and others. The core business, which generated most revenues for the Company in the past year, is credit card and personal loan business, representing 36% and 54% of total revenues respectively and the hire purchase business, representing 2% of total revenues.

As at February 20, 2014, the number of active billing amounted to 3.48 million accounts and ID base amounted to 2.24 million IDs. Meanwhile, the Company' total cards reached 7.03 million cards (including 2.20 million credit cards and 4.83 million member cards), increased by 328,000 cards from the last year. Also, the Company has 116 branches altogether, of which 40 branches in Bangkok and the vicinity while the remaining 76 branches in upcountry covering nationwide. In addition, the Company has more than 2,000 EDC machines installed in several department stores and discount stores such as the Mall, MaxValu, Jusco, Tesco Lotus, Makro, Carrefour, Big C, IT City, Power Buy, and etc. and other dealers. Also the Company has 423 ATM located in Bangkok and provinces to provide more convenient service to the customers.

Revenues Structure (Consolidated)

FISCAL YEAR	2011			2012			2013		
Business	Amount (MB)	%	Growth (%)	Amount (MB)	%	Growth (%)	Amount (MB)	%	Growth (%)
1. Credit Card	4,256	39	6	4,633	38	9	5,497	36	19
2. Hire Purchase	558	5	(59)	236	2	(58)	307	2	30
3. Loan	4,677	43	24	6,119	50	31	8,157	54	33
4. Others	1,409	13	53	1,244	10	(12)	1,273	8	2
Total	10,899	100	8	12,232	100	12	15,235	100	25

Notes : - All categories of business performed by AEON Thana Sinsap (Thailand) Public Company Limited.

- The Company's accounting period ends on February 20 of each year.
- Since January 21, 2011, new installment products, except motorcycle, have been engaged under the purposed loan contract in stead of hire purchase contract.
- Other income includes Commission income and Collection service income

BUSINESS GOAL

The unchanging corporate mission of the company is to constantly benefit our cardholders through quality financial services. In Japan and the rest of Asia, our management philosophy is to “Support Cardholders lifestyles and enable each individual to maximize future opportunities through effective use of credit”. The Company carefully provides financial services by paying attention to our cardholders’ needs and earns cardholders trust by raising standard of corporate behavior in the financial service industry and adhering to a strict code of corporate ethics and engaging in activities that conserve the environment and contribute to the society.

The Company has aimed to provide financial service with more convenience and satisfaction to customers and member stores. This will consequently lead the Company to be a leading retail finance company in Thailand as well as neighbouring countries in the future. Moreover, in order to achieve this goal, the Company plans to expand its customer base and also its service network in all areas.

Regarding to the life and non-life insurance businesses, the Company has aimed to provide insurance advice offering the best advantage to our customers with various types of insurance services. In terms of the debt collection service, we targets to deliver our customers with the best satisfaction from our standardize and efficient services together with expanding more customer base, which will bring us to the leader of debt collection service business in the future.

NATURE OF EACH BUSINESS LINE

Credit Card

The Company provides two types of services as follows:

- (a) Credit Purchase whereby the Company’s cardholders can use their credit cards to purchase products from member stores, with the Company paying the sales amount of the product to the those stores.
- (b) Cash Advance whereby the Company’s cardholders can use their credit cards to obtain cash advances from the ATMs of the Company.

Credit cards issued by the Company are categorized into two types as follows:

1. AEON International Card

The Company is issuing AEON MasterCard, AEON VISA Card and AEON JCB Card co-branded with MasterCard Worldwide, VISA Worldwide, and JCB International Company Limited respectively. The MasterCard credit card, VISA credit card, and JCB credit card can be used at member stores located worldwide. Beside the Company’s cash dispensing machine, the cardholders can use the AEON MasterCard, AEON VISA Card and AEON JCB Card for cash advance through CIRRUS and PLUS network worldwide.





2. AEON Co-branded Cards

The co-branded credit cards which the Company issues with other companies in several businesses such as AEON Royal Orchid Plus Platinum Card, AEON Wuttisak Visa Card, AEON H.I.S. Corporate Card, Photo Hut VISA, Giffarine VISA, AEON Club Thailand VISA and MasterCard, B-Quik VISA Card, MAX MasterCard, TDP VISA card, and etc. The co-branded cards will provide additional exclusive privileges for its cardholders.

Moreover, the Company launched a gold card with several privileges i.e. getting one happy point on every 20 baht spending and cash back up to 5% when cumulate spending amount via AEON Gold card meet the spending condition per cycle and Buy 1 Get 1 Free Movie ticket for normal seat and honeymoon seat in film system, digital system and every seat in 2D/3D/4DX system at Major Cineplex Group and. And the Company issued the corporate card for the organization in order to manage employee spending, which mainly are traveling and entertainment for the corporate purpose. This can help the corporate to reduce potential misuse and fraud and also to manage the business expenses efficiently. Initially, the Company has issued the corporate card to the strategic partners.

Income from credit card comprises of interest, revolving fee, collection fee, and other fee e.g. annual fee, cash advance fee, merchant discount fee from participating stores, and etc.

Hire Purchase Motorcycle

Hire purchase is a form of finance whereby ownership of the merchandise is vested in the Company and the Company hires the merchandise to the borrower for a fixed term for which the Company offers from 6 months to 48 months. On expiry of the term of hire purchase, the Company transfers the ownership of the merchandise to the borrower. The Company's security derives from the fact that it retains ownership during the period of hire. The income generated from this service includes interest received from installment and collection fee. Once the merchandise is delivered to a customer, the member store will submit the sales slip to the Company and the Company pays the sales amount to such member store.

Since January 21, 2011, hire purchase product has included only motorcycle while the other installment products have been engaged under the purposed loan contract in stead of hire purchase contract.

Loans

Personal loan is a form of finance to lend cash to customers which included cash loan and purposed loan e.g. loans for buying electrical appliances, home decorative items, office equipment, mobile phone, IT products, and etc. which the services are provided through over 16,200 of the Company's member dealer stores and in department stores such as The Mall, Department store under AEON group Japan (Jusco & MaxValu), Tesco Lotus, Makro, Carrefour, Big C, Power Buy, and etc. The customers may apply through its 116 branches or apply by submitting application with supporting documents via mail or through Internet. Income from personal loan includes interest received, minimum payment fee, handling fee, and penalty fee. Since July 1, 2005 Hire Purchase and Loan business were controlled under the Ministry of Finance and Bank of Thailand also issued the BOT notifications for the regulation on those businesses. The interest rates, fines, service fees, and other operation fees in aggregate can be charges at the maximum of 28% annually (effective rate).

For the AEON members having good payment record, the Company has issued AEON Member Card for them in order to provide convenience for loan services. The AEON Member Card has the database of each cardholder that facilitating the customers to use AEON services faster and more efficiency.

The Company has provided "Your Cash" or a revolving loan service to customers, having good payment history, who want to use the revolving loan or credit line by directly withdrawing money from AEON's ATM and other banks ATM, Counter Service at 7-eleven an Thailand Post nationwide.

Oversea Business

The Company has strategy to expand business in foreign countries with a vision that Asian would become major player in world's economic. Therefore, we aim to expand our business to neighbor countries having rapid economic growth. We started business in Vietnam in 2008 with 20% shareholding. Then we began business in Cambodia in 2011, Myanmar in 2012 and Laos in 2013, with 100% shareholding in Cambodia and Myanmar, with 69% shareholding in Laos*. Overseas business is mainly hire purchase business for i.e. electrical appliances, mobile phone, motorcycle and personal loan, which we have applied management platform from Thailand and adjusted with traditional manner and culture of each country. The business growth rates in these foreign countries is higher than that in Thailand.

Web Business Service

AEON Thana Sinsap PLC is providing a variety of online services for AEON card customers to fulfill their online activities through AEON website (www.aeon.co.th). Customers can browse company's information, products & services, as well as, apply for cards online. In addition, our company is promoting an online affiliated point program through a newly launched website called AEON PointsUP (www.aeonpointsup.com).

We also provide an online payment channel called Payment Gateway to support merchants that trade products online such as online card application, balance inquiry, E-statement, payment gateway, online point program service (AEONpointsup) and etc. Income from payment gateway service comes from system usage fee from online merchants. AEON will charge by a percentage of total sales amounts for products and services that have been purchased online with AEON credit card and/or other financial institution's card via AEON Payment Gateway and income of AEONpointsup.com service comes from an affiliate fee charged to our online partners on a monthly basis. This fee is calculated by the agreed percentage from the total sales amount of products and services only for the transactions that eligible to get the points.

* The Company holds shares indirectly through ACS Servicing (Thailand) Company Limited and AEON Insurance Service (Thailand) Company Limited with 13% and 13% shareholding, respectively.

Debt Collection Service Business

Debt Collection Service is operated by ACS Servicing (Thailand) Co., Ltd., a subsidiary of AEONTS which offers the service of phone collection, field collection, and legal service. The expertise of company on debt collection are in both Consumer Loan (such as Personal loan, Credit Card, and Hire-Purchasing), and Corporate Loan. The range of client includes the Group company, Banks, Car & Motorcycle Leasing companies, and Financial Service companies.

Main revenue source of the company comes from service fee, collection and legal service and has received as the percent ratio of repayment amount. Moreover, the company is entrusted by both existing and new clients. Therefore, in the previous year, ACS Servicing received an increasing amount of assignment from clients outside the Group Company which results as a significant growth in the revenue portion of this client group.

In order to efficiently manage our service operation, the company has installed various IT systems, for example, Voice logger System, Collection Information Management System, Notice Printing System. Furthermore, we also constantly perform control and monitoring activities on operators to ensure the compliance with the Company's regulations.

Insurance Brokerage Services Business

Insurance brokerage service business is operated by new subsidiary, namely AEON Insurance Service (Thailand) Co., Ltd., which was amalgamated from two insurance subsidiaries, ACS Insurance Broker (Thailand) Co., Ltd. and ACS Life Insurance Broker (Thailand) Co., Ltd. according to resolution of Board of Director's Meeting in March, 2013. There are 2 main services providing, non-life insurance brokerage services and life insurance brokerage services via telemarketing and face-to-face sales. The company also provides consulting service and give advice to all kind of customers both (individuals and corporate) in doing life and non-life insurance including claim services on behalf of the insured, with various insurance products as follows :



TYPE OF INSURANCE	PROTECTION
1. Motor Insurance	Cover loss and damage of the insured vehicle, personal injury, death, property of third parties (parties) as well as other coverage as specified in the policy.
2. Compulsory - Delivery	Car insurance is mandatory insurance law required all cars to be insured, to protect and assist victims of the car.
3. Golf Insurance	This is insurance provide in coverage for loss or damage resulting from accident playing golf.
4. Health Insurance	Health insurance provides coverage for medical expenses generally, including benefits of medical expenses.
5. Travel Insurance	Insurance provide in coverage for travel accident.
6. Personal Accident Insurance	Provide coverage for loss or damage from an accident over 24 hours.
7. Fire Insurance	Protect insured properties such as dwelling, furnitures, and other assets caused by disasters.
8. SME Insurance	Cover damage to buildings and property of the SME such as restaurant, hotel restaurant, coffee shop, internet cafe, beauty salon and spa.
9. Group Insurance (Employee Benefits)	Cover Group Life & Health Insurance to corporate's employees which is additional from Compensation Fund and Social Security.
10. Individual Life Insurance	Cover death and pay to throw the switch to the beneficiaries as specified in the policy.
11. Marine Cargo Insurance	Provide coverage for loss or damage from accident and capacity for exporters and importers of goods between countries.
12. Miscellaneous Insurance	Such as all risks to direct physical or damage to property insured arising from an external causes, public liability insurance, professional indemnity insurance and etc.

The revenues of this business are mainly from commission income calculated as a percentage of total amount of selling and other income such as service income, advertising and marketing support.

MARKETING AND COMPETITION

The Company has operated the retail finance as a non-bank, which supports customers in terms of financial service diversification. The basic qualifications required for any retail finance customers are the age of more than 20 years old, earning a regular income, having a secure job, and etc. From the Labor Force Survey in December 2013 by the National Statistical Office of Thailand (NSO), Ministry of Information and Communication Technology of Thailand, there were 55.25 million persons, aged 15 years and over, with this number, 39.81 million were in the total labor force or accounted for 72.1%. (39.49 million were employed, 74,200 were seasonally inactive labor force, and 250,000 were unemployed or 0.5% of labour force). Comparing to the same period last year, the number of employment decreased by 60,000 persons. Mostly, the employed persons were in agriculture sector and non-agriculture sector by 42% and 58%, respectively.

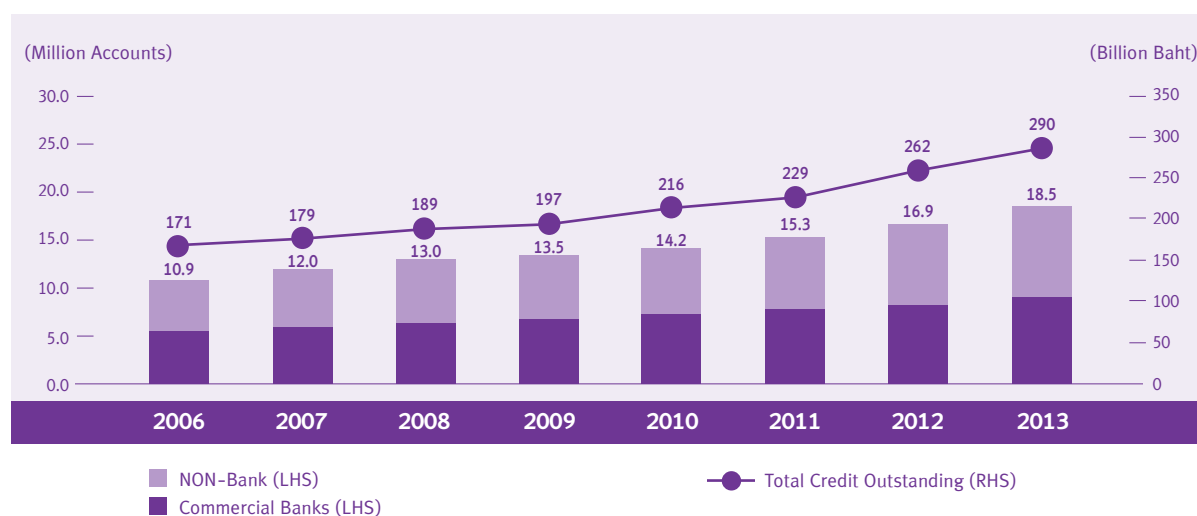
In addition, the NSO Household Socio-economic Survey for the year 2013 from the sample of 52,000 households showed that average total household income was 25,194 baht per month, which was mainly from economically activities such as wages and salaries. The amount of household debt was 163,087 baht while public debt per GDP was around 45%. Considering the current number of financial service customers, there will be a lot of potential customers having primary qualification from aforementioned data. This means the market opportunity which the Company foresees for business expansion in the future.

COMPETITIVE CONDITION

Credit Card

The major competitors are commercial banks and other non-banks.

NUMBER OF CREDIT CARD AND CREDIT OUTSTANDING IN THAILAND



Source : Bank of Thailand

Note :

- Total number of account refers to number of account of credit card loan that is outstanding as at the end of period.
- Total Credit Outstanding refers to outstanding as at the end of period.
- Total number of account credit card from foreign bank branches has been included in a group of commercial bank.

Credit card business in Thailand continually grew with the average number of credit card growth of 9% a year or 1.0 million account increase per year during 2006–2008. However, as a result of economic downturn, annual growth of total number of credit card in 2009 was 4%, then improved to 5%, 8% and 10% in 2010, 2011 and 2012 respectively, from economic recovery.

At the end of 2013, the total number of credit card increased by 10% or around 1.7 million accounts from the previous year, totaling 18.5 million accounts; 9.5 million accounts from non-bank (11% yoy) and 9.0 million accounts from commercial banks (9% yoy). Meanwhile, total credit outstanding at the end of 2013 amounted to 290 billion baht, increasing by 11% from the end of previous year. This included 115 billion baht from non-bank (9% yoy) and 175 billion baht from commercial banks (12% yoy). Although the largest portion of total number of credit card was mainly from non-bank, representing 51% of total portfolio with the higher outstanding growth than commercial banks, the total credit outstanding from commercial banks was still maintain the largest portion, 60% of total outstanding in 2013.

Currently, Thailand's credit card market started to saturate especially in Bangkok and Vicinity area. With the intense competition in the credit card business, the operators tend to focus on increasing customer base as well as spurring customer spending and still obtained benefits from an increase of the minimum salary for Bachelor graduates to 15,000 baht per month. Most operators mainly focused on expanding their customer base with more aggressive marketing strategies by launching campaigns that satisfy daily spending behavior of customers as well as continually conducting sales promotion activities with major dealers and increasing credit card application channels through online service together with short approval period, to encourage more credit card usage volume and expand new group of customers.

Hire Purchase

Hire Purchase business is a form of financial service which is not subject to the supervision of the Bank of Thailand as banks and finance companies. Currently, the Company mainly focuses on motorcycle hire purchase which the target customers are persons with low to medium income level and use motorcycle as their vehicles. The popular brands are mainly Honda, Yamaha, Suzuki and Kawasaki. The competitors in this business are Thitikorn Pcl., High-Way Co., Ltd. and Thanabun Co., Ltd.

According to the statistics from Land Transportation Department, new registered motorcycles have consecutive growth over the past year, with the increase of 2.0 million motorcycles in 2011 and 2.3 million motorcycles in 2012, respectively and declined to 2.1 million motorcycles in 2013. The growth rate was 15% in 2011 and slow down by 6% in 2012. The growth rate decreased in 2013 was due to overall of motorcycle market in Thailand has been directly affected by the economic slowdown as a factor of exports experienced a contraction in early year due to baht appreciation, political uncertainty and instability in agricultural prices.

However, the motorcycle market in 2014 is likely to be back to the normal situation as the manufactures start to launch their marketing campaigns i.e. opening of new models and big bike and continuing marketing activities.

Personal Loan

The major competitors are commercial banks and non-banks such as Ayudhya Capital Services Co., Ltd., EASY BUY PLC, Promise (Thailand) Co., Ltd., and etc.

Number of Account and Outstanding of Personal Loan under supervision in Thailand



Source : Bank of Thailand

Note :

- Personal loan under supervision refers to uncollateralized personal loans, hire purchases, and leasing loans on goods of which the licensed lenders are usually not in the business of selling. Excluded from this category are Loans for hire purchases and leasing of automobiles and motorcycles, Loans for education, Loans for working abroad, Loans for medical care and Loans pertaining to employee benefits under an agreement between the employers and the lenders.
- Total number of accounts refers to number of account of only personal loan under supervision that is outstanding at the end of month.
- Total personal loan outstanding includes only the principal (less deferred revenue) at the end of month.
- From November 2010 onwards, some commercial banks registered in Thailand has reclassified the personal loan type which resulted in the reduction of personal loan under supervision.

Number of personal loan accounts under supervision in Thailand continually grew during 2006-2007. However, as a result of economic crisis in 2008, financial institutions had tightened their credit standards and then affecting the growth in number of personal loan accounts, although, the economy is on an upward trend; and as a result of the government economic stimulus plan, expansion of personal loan was 4% and 11% in 2011 and 2012, respectively.

In 2013, personal loan business expanded with an increase in the number of accounts of personal loan under supervision of 16% from 9.9 million accounts in previous year to 11.5 million accounts. The number of accounts from commercial banks registered in Thailand and non-bank increased by 34% and 13%, respectively. Meanwhile, the number of accounts from foreign bank branch decreased by 5%. In addition, personal loan outstanding at the end of 2013 expanded by 19% from the end of previous year to 299 billion baht, which was attributed to commercial banks registered in Thailand of 141 billion baht, increasing by 23%, non-bank of 141 billion baht, or increased by 17% and foreign bank branches of 17 billion baht or decreased by 7%, respectively.

The personal loan tends to be in positive trend after adjusting credit policies to be more rigid which will improve credit quality; and the Company will be able to accept more risk from credit expansion. The positive factors supporting personal loan growth are mainly from increased daily household spending from last year, recovery of world's economic which supports expansion of export sector in Thailand and increasing of customer income which better improves debt to income ratio. However, the operators still keep cautious consideration in loan approval by mainly

focusing on quality of customers. Moreover, Banks and non-banks will play more significant roles in this large market. In order to gain more market shares, they tend to offer competitive promotion in terms of price, services, approaching the customer, and etc.

Web Business Service

Nowadays, numbers of Internet users using online services are growing rapidly. As a result, many business sectors start to focus on online service channels development for their customers on both PC and Smartphone platforms. The development for Smartphone application has also become a popular trend, where customers can conveniently download and install the application by themselves on their Smartphone. There are numerous online services currently available for customers such as online member registration, credit card registration, online inquiries, and member profile editor. In addition, there is an online payment service that customers can make many types of payment online conveniently and securely.

Regarding the market situation mentioned above, our company aims to become “the financial credit service company with complete digital online solutions”. We focus on enhancing and improving an online card acquisition channel and document collection. We will use the campaign management to offer special privileges and services to fit customer needs. Furthermore, we plan to enhance online payment options and adapt cutting-edge technology to create new opportunities serving online e-commerce market.

Debt Collection Service Business

The debt collection service would continually grow due to an increase variety of loan services in the consumer market. Furthermore, the majority of corporation tends to outsource their collection activity since it requires specific set of skills and well-established information system; ACS Servicing has competitive advantage over these requirements. By starting from providing the services to the Group company and expanding to external clients afterwards, the company has extensive experience in debt collection and becomes one of the top company in this business. Currently, ACS Servicing has more than 1,100 employees. Its Head Office is situated at Bangkok and other three branches which are Khonkaen Branch, Hat Yai Branch, and Sriracha Branch. Setting up a new branch and area expansion would accommodate an increase of assignment from clients and enhance competitiveness.

Insurance Brokerage Services Business

Non-Life Insurance is projected to grow continuously, with significant growth in car insurance. Since increasing car demand, and impact from the flood crisis in 2011 also boost up demands for non-life insurance. Life insurance also enjoys continuous growth due to higher demands from increased income according to the government's policy to raise up salary for government staff and minimum wage per day. In addition, life insurance premiums is also deductible from personal income tax. Therefore, the potential customer base is expanding and the demand for insurance is increasing as well. The Company has adopted its strategy such as selling through agents and telemarketing, which is in line with the top three distribution channels. The company also provides consulting service including claim services on behalf of the insured.

STRATEGIES

The Company's competitive strategies consist of:

■ Utilization of Customers' database

The Company establishes customers' database which is classified by their characteristics such as age, gender, occupation, etc. The Company has used this information in developing and preparing marketing plans to provide beneficial services and information to increase customer satisfaction.

■ **Speedy Service**

The Company has focused on providing speedy financial services to its customers through the use of up-to-date technology. Currently, the Company has implemented Electronic Data Capture (EDC) to enhance speedy credit approval process. The Company also provides cash advance and cash revolving card service through our ATMs and offers personal loans – approval in 30 minutes. Moreover, the customer can apply for credit approval and ask for payment information on the internet at www.aeon.co.th and www.aeonthailand.com.

■ **Variety of Products**

Increasing the range of new products or services is aimed to maximize its ability to meet customer's needs. The Company's credit card offers 3 credit limit functions within one card, which the customers can utilize credit card function, hire purchase credit, and personal loan credit through our member stores and dealer network. Also, the Company has developed more card functions by focusing on daily use to enrich its customer service.

■ **Expansion of Member Stores**

To increase the number of member stores, the Company mainly focuses on large retail stores such as supermarkets and department stores. These stores provide consumer goods needed on a daily basis. Also, with respect to member stores expansion for credit card, the Company issued more international credit cards for the worldwide network spending.

■ **Centralization and Nationwide Networks**

The Company has branches and service counters throughout the country. For the same standard of services, the Company has full centralization centers in all regions including North, Northeast, Central, and South. This is not only reduce operation time and operating cost but also increase the efficiency in providing full range of services. Aiming to provide more convenience for cardholders, the Company has installed ATMs nationwide.

DISTRIBUTION CHANNEL

The Company has increased its distribution channels through the following marketing strategies:

- Credit Cards' Recruitment Campaign
- Over 16,200 Member Stores and Merchants
- Service Network with 116 branches, more than 2,000 EDC machines installed in several department stores and member dealers, and 423 ATM nationwide
- Advertisement and Promotional Activities for the propose of brand recognition

CREDIT APPROVAL

The Company has credit process which covers credit policy, policy disclosure to operation officer, credit scoring, setting credit criteria, and reviewing credit approval and authorized person for credit approval for enhancing the credit approval standard continually. For credit card, the criteria of cardholders have to comply with Rules, Procedures and Conditions to Undertake Credit Card Business. And for hire purchase and loan approval, the company has to comply with Prescription of Rules, Procedures, and Conditions for Undertaking of Personal Loan Business under Supervision for non-bank following Bank of Thailand's notification.

DEBT MANAGEMENT

One of the key components of the financial service business is debt management. The Company has set up an efficient collection system and procedure to monitor and manage the debt which can be categorized into 3 main functions as follows:

- **Technology:** The Company has implemented one of the most advance technologies to manage customer database upon payment behavior and grouping data by collection aging. All customers profiles are available on-line, thus, every collection staff can directly access to the database through his/her own terminal computer. In addition, the system enables the management to monitor collection performance of each staff and each branch all over the country.
- **Monitoring and Managing:** The Company has a philosophy of close monitoring and managing the debt. It examines the collection performance on a daily basis. All database of collection performance is centralized in each regional center and at the head office. This information is examined and evaluated by the management who is ready to make decision support and exercise to improve and solve the problems of collection. In addition, 5 centralized centers will ensure the business continuity operations and perform as the backup recovery sites among others.
- **Collection Procedure:** When a debtor starts being in default, the collection staff will promptly perform their jobs in order to insure that the debt management is efficiently and promptly done.

In addition, the Company's collection procedure is carefully implemented under the Bank of Thailand's guidelines, regarding debt collection manners, which has been enforced on August 4, 2008.

CUSTOMER PAYMENT

The customer's statements, calculated by the Company, need to be paid within the 2nd of the next month by cash at all Company's ATMs, commercial bank's counter, Counter Service, TOT Customer Service Center, Jay Mart PayPoint, mPAY STATION, True Partner, Tesco Lotus, Pay at Post more than 20,000 counters nationwide. In addition, the payment can be made by post-dated cheque as well as bank account auto-payment. For Purpose loans, the customer has to pay a monthly installment and the installment period varies from 6 to 36 months depending on the value of the purchased goods or services. Monthly installment for Motorcycle hire purchase is 6 to 48 months. The average installment period is 12 months. For personal loans and credit card loans, the customer may either pay the full balance at one time or make partial payment, the amount of which will be at least equivalent to the minimum amount fixed by the Company and in line with the BOT's regulations.

POLICY ON PROVISION FOR DOUBTFUL ACCOUNTS

The Company and subsidiaries have established a policy for the classification of debtors according to the number of unpaid installments. A debtor having fully paid principal and interest within the due date is classified as a Normal Debtor (Current), those with one unpaid installment is classified as a Delinquent 1 (D1), and those with two unpaid installments is classified as a D2, and so on.

The Company and subsidiaries will set aside allowance for doubtful accounts in full for the debtor who has three unpaid installments or is in D3 and upwards. The allowance is set aside from the outstanding balance as per the agreement, plus interest unpaid by the debtor. Moreover, the Company may consider setting more allowance of doubtful accounts in case there is any extraordinary circumstance that may have an impact on the debtors' repayment capability. (See Note 8.4 in the Company Financial Statements).

MANAGEMENT DISCUSSION AND ANALYSIS

The operating performance of AEON Thana Sinsap (Thailand) Public Company Limited for the year ended February 20, 2014 which consolidated all subsidiaries is summarized as follows;

OVERVIEW

Overall, Thai economy in 2013 expanded by 2.9% y-y, much lower than its 6.5 percent expansion in 2012., according to the Bank of Thailand, from the slow global economic recovery which affects the private domestic demand and Thai exports, following the decline spending on durable goods after the end of the first-car tax rebate scheme, together with higher household debt levels and declining consumer confidence due to Thai economic and political uncertainty which made consumers more cautious about spending. While private investment index showed a slow down due to slow progress in the government's mega project investments. In addition, the economic situation in 2014 is expected to grow from last year according to several supporting factors such as global economic recovery, the positive employment situation together with low interest rates from the accommodative monetary policy will help support private consumption and investment to continue to expand.

As of February 20, 2014, number of total cards reached 7.03 million cards. Covering networks nationwide, the Company has 116 branches, 423 ATMs, and over 16,200 member dealers to provide quality financial services to AEON cardholders. In addition, the Company has continued launching promotions with various partners as well as renovating its current branches to improve brand image to serve for growth of credit card customers with higher income. In addition, new operation center, Sriracha Center in Chonburi province, has started to operate in order to support customer growth in upcountry as well as higher sales volume.

OPERATING RESULTS

■ Revenues

In the fiscal year 2013, the Company's consolidated revenues amounted to 15,235 million baht, increasing by 3,002 million baht or 25% from 12,232 million baht in the fiscal year 2012. This was resulted from the Company has continued with marketing campaigns throughout the year. At the end of fiscal year 2013, the Company has number of active billing of 3.48 million accounts, increasing by 13% y-y with number of active customers of 2.24 million, increasing by 8% y-y, mainly from Bangkok 37%, and in up-country 63%. Details of each business can be described as follows:

■ Credit Card

Credit card turnover in the fiscal year 2013 improved by 27% from last year and represented 43% of total turnovers. Revenues from credit card were 5,497 million baht, increasing by 19% y-y. This was due to the fact that the Company has focused more on credit card promotion with value partners and departments store to increase more spending volume and have continued with marketing campaigns throughout the year.

In the first quarter of 2013, the Company issued new co-brand card with Wuttisak Clinic Inter Group Company Limited, "AEON Wuttisak Visa Card" to reach new group of customers from beauty segment; and to shift up AEON brand image, the Company opened AEON Lounge at Central World department store to facilitate gold card and platinum card members.

In the second quarter of 2013, the Company launched the privilege campaign for Gold and Classic card with 2 major partners, Major Cineplex Group Plc, the country's largest entertainment network and McThai Co. Ltd., the largest fast food restaurant network under theme "Everyday Happiness with AEON Credit Card"; and we have announced the launch of "AEON Easy Pay", a new payment service that AEON Dealers can use smartphones connect with electronic payments.

In the third quarter of 2013, the Company has joined with H.I.S. Tours Company Limited to launch AEON H.I.S. Corporate card, a premium card targeting corporate executives and employees, to ensure extra convenience when travelling; and giving customers with more convenience, we launched a new service, “Easy Pass top up” for customers to refill the tolls via AEON visa credit card.

Focusing on card recruitment activities, the Company has developed more card recruitment channels including setting booths in high traffic areas and encouraging card application on the Company’s website and dealer network nationwide. As a result, a new credit card customers as of February 20, 2014 increased by 200,000 cards or 30% y-y.

■ **Loans**

For the fiscal year 2013, loans shared 49% of total turnovers (shared 24% from personal loan and 25% from purposed loan for mobile phone, IT products, electrical appliances and etc. at over department stores and more than 16,200 dealers nationwide) with the revenues of 8,157 million baht, increasing by 33% y-y. The increase was mainly from growth of revolving loan “Your Cash” and the Company has release the direct marketing campaign to the customer, which we have expanded more service channels provided more convenience to customers and this also saved the Company’s operation cost. AEON members can utilize the revolving loans service through many service channels; besides AEONTS ATMs, other major bank ATMs i.e. Kasikorn, Thanachart, Bangkok Bank, Krungsri and Counter Service through 7-11 nationwide, they can also transfer and receive cash through Thailand Post Office nationwide. Totalling, we have more than 30,000 cashing channels.

■ **Hire Purchase**

In fiscal year 2013, motorcycle hire purchase (consolidated hire purchase of oversea in Cambodia and Lao), sharing 1% of total turnovers with revenues of 307 million baht, increasing by 30% from total hire purchase revenues last year. This was mainly from the operating performance in Cambodia, with growth of more than 5 times from last year. However, the company has continued launching promotions with motorcycle manufacturers and suppliers, i.e., Honda and Kawasaki as well as increased distribution channels for motorcycle sales through our branches.

■ **Others**

In fiscal year 2013, other incomes were 1,273 million baht, representing 8% of total revenues, mainly comprised bad debt recovery and income from subsidiaries such as commission income, collection service income and etc. The majority of other incomes came from bad debt recovery of 678 million baht which accounted for 4% of total revenues. Regarding, the income for the fiscal year 2013 of company’s subsidiaries in Thailand, the Company had commission income of 217 million baht, increasing by 21% y-y from AEON Insurance Service (Thailand) Co., Ltd. and collection service income of 155 million baht, increasing by 22% from ACS Servicing (Thailand) Co., Ltd. and others, which the Company has planed to generate more fee base income in the future.

■ **EXPENSES**

The Company’s expenses mainly consist of operating and administrative expenses, bad debt and doubtful accounts, and finance cost. In fiscal year 2013, the Company had total consolidated expenses of 12,098 million baht, increasing by 22% from the previous fiscal year. Details of total expenses can be described as follows:

■ **Operating and Administrative Expenses**

In fiscal year 2013, the Company’s operating and administrative expenses were 6,194 million baht, increasing by 25% y-y as a result of increase in marketing expenses to stimulate sales performance as well as improve competitive edge. In terms of proportion to total revenues, operating and administrative expenses represented 41% of total revenues. This was as a result of increase in marketing expenses and number of staffs to support business growth as well as improve competitive edge.

■ **Bad debt and doubtful accounts**

The Company posted bad debt and doubtful accounts of 3,843 million baht in fiscal year 2013, increasing by 23% from last fiscal year. The increase was due to rapidly growth of new customers. The Company, therefore, provided more bad debt provision reserve under the conservative risk management policy to prevent uncertainty of economic fluctuation in the future i.e. flooding, political uncertainty and increased household debts.

■ **Finance Cost**

For the fiscal year 2013, the Company's finance cost recorded at 2,061 million baht, 16% increase from the last year. This was because of an increase in total borrowings to support business growth. However, finance cost in the fiscal year 2013 accounted for 14%, the same level as last year. This was because the Company's policy is to manage liquidity risk and interest rates fluctuation risk by mainly locking in long-term borrowing, which is 75% of total borrowings in the fiscal year 2013. In addition, average interest rate cost was 4.39% in the fiscal year 2013, 4 basis points (bps) more than that in the fiscal year 2012.

■ **NET INCOME**

For the fiscal year 2013, the Company's had consolidated operating income of 3,137 million baht, increasing from 2,355 million baht in last year, and reported net profit attributed to owners of the parent of 2,501 million baht, or 10.01 baht per share, increasing by 48% y-y, a new record of profitability since established.

FINANCIAL STATUS

■ **TOTAL ASSETS**

As of February 20, 2014, consolidated total assets were 60,637 million baht, an increase of 9,623 million baht or 19% from 51,013 million baht as of February 20, 2013. Mainly, the assets were attributed to the portfolio of net accounts receivable, which was 87% of total assets.

■ **Accounts Receivable**

At the end of fiscal year 2013, the Company's consolidated gross accounts receivable (both current assets and non-current assets) amounted to 54,929 million baht, increasing by 21% y-y from 45,394 million baht in fiscal year 2012, mainly from Bangkok 42%, and up-country 58%. This can be categorized by business type as follows: credit card receivable 19,553 million baht, increasing by 26%, loans receivable 33,904 million baht, increasing by 18% and hire purchase receivable 1,351 million baht, increasing by 47% and other receivables 121 million baht, increasing by 57%. However, including credit card receivable under securitization of 4,359 million baht which was off balance sheet, total accounts receivable were 59,288 million baht, increasing by 19% from the end of fiscal year 2012.

In 2013, the Company has change of terms and conditions adhere strictly for applying new customer and credit approval, including the increase of collection staff to handle the new customers and control the quality of assets has been improved respectively as well as improved the collection system. As of February 20, 2014, the Company provided allowance for doubtful accounts of 1,912 million baht or 3.48% of total accounts receivable, increasing from 1,620 million baht or 3.57% of total accounts receivable at the end of previous fiscal year. As a result, net accounts receivable was 53,017 million baht.

■ **TOTAL LIABILITIES**

As of February 20, 2014, total liabilities amounted to 51,729 million baht, increasing by 18% from the end of fiscal year 2012. This was due to 21% increase in the total borrowings. At the end of fiscal year 2013, there were both short-term and long-term borrowings totally 48,256 million baht. The portion of long-term borrowings was 36,314 million baht or represented 75% of total borrowings.

In July 2013, the Company issued and offered debenture amounting to USD 17 million to a bank in Japan and will be due on July 2018. In November 2013, the Company issued and offered debenture amounting to USD 30 million to a bank in Japan and will be due on November 2018.

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

■ SHAREHOLDERS' EQUITY

As of February 20, 2014, shareholders' equity was 8,907 million baht, representing the increase of 1,649 million baht or 23% from February 20, 2013. Consequently, Book value as of February 20, 2014 was 35.63 baht per share, increasing from that of 29.03 baht per share at the end of last fiscal year.

Debt to Equity ratio in the fiscal year 2013 slightly decreased to 5.8 times from 6.0 times in the fiscal year 2012. Return on Equity and Return on Asset equaled to 30.9% and 4.5%, respectively, comparing to 25.2% and 3.6% in the previous fiscal year.

In addition, the Company announced the final dividend payment at the rate of 1.85 baht per share which will be paid after being approved by the shareholders meeting on June 12, 2014. As the Company already paid interim dividend of 1.60 baht per share on October 24, 2013, therefore, dividend payment for the fiscal year 2013 totaled 3.45 baht per share or 34.48% payout ratio.

FINANCIAL LIQUIDITY

As at February 20, 2014, the Company and subsidiaries recorded cash balance of 2,435 million baht, increasing by 248 million baht from previous year, which can be categorized as follows:

- net cash used in operating activities of 5,958 million baht mainly resulted from an increase in accounts receivable
- net cash used in investing activities of 865 million baht mainly resulted from purchase of temporary investments and investment in subsidiaries, and
- net cash proceeded from financing activities of 5,331 million baht mainly resulted from long-term loans and short-term loans from financial institutions

Combined the net increase in cash and cash equivalents of 248 million baht with beginning cash balance of 2,187 million baht, the Company had ending cash balance at the end of the fiscal year 2013 in the amount of 2,435 million baht accordingly.

AEONTS is aware that there are various risk factors that may affect the Company's business operations. The Company has accordingly established risk management policy and regularly reviewed business operation in order to strengthen the current standard and availability for support relevant risks that may incur in the future. The risk factors that may incur and affect the Company's performance are described as follows:

1) INTEREST RATE FLUCTUATION RISK

The Company is exposed to interest rate risk that may incur and affect the Company's performance caused by the risk for a rise in interest rates that would result in higher cost of funding. The Company is particularly aware of significant affect of the risk from a potential rise in interest rates to have an adverse effect on the Company. Therefore the Company has a policy to borrow long-term loan with THB fixed rate over the loan period and to hedge against the risk of interest rate fluctuation by enter into an interest rate swap contract for THB floating rate and enters into Cross Currency Swap contract for long-term foreign currency loan to swap to THB fixed rate. (Details are disclosed in Notes to Financial Statements No. 22 and 23.) The Company enters into derivative financial instruments for only hedging the risk of increase of funding cost caused by potential rise in future and not for trading or speculative purposes in the present and for future.

2) FOREIGN EXCHANGE RATE RISK

As of February 20, 2014, the Company has long-term loans and debentures in the amount of JPY 35,220 million or equivalent to 11,327 million baht and USD 511 million or equivalent to 16,725 million baht and short-term loans, current portion of long-term loans and debentures in the amount of JPY 5,500 million or equivalent to 1,769 million baht and USD 241 million or equivalent to 7,904 million baht

In order to hedge its exposure to foreign exchange rate risks, the Company entered into Cross Currency Swap contract for all long-term foreign currency loan and current portion of long term loan at total amount. (Details are disclosed in Notes to Financial Statements No. 22 and 23.) The Company does not or will not enter into such contracts for trading or speculation purposes at present or in the future.

3) WORKING CAPITAL INSUFFICIENCY RISK

The Company extends credit to the customer by lending funds borrowed. As of February 20, 2014, the Company's net accounts receivable stood at 53,017 million baht and its working capital was raised by borrowing and issuing debentures with the amount of 48,256 million baht.

The Company is aware of risk that may arise from depending on any major source of funds. The Company, therefore, diversified its sources of funds by borrowing or setting credit facility from 18 banks including 12 foreign bank's branches and 5 local banks and including 1 foreign bank. During the past period, the Company has not relied on any creditor's fund for more than 30% of the total loans. The Company also raised fund through direct financing such as issuing debenture and entering into the contract with financial institutions for committed revolving Credit Facility Agreement of 400 million baht. The Company also has a policy to consistently keep sufficient fund position in order to increase the receivable by sales expansion. Thus, the Company considerably plans to diversify its financing by issuing straight bonds and securitization.

The Company raised fund through securitization by establishing Special Purpose Vehicle Company (SPV) under Securitization Law. The Company held 26% of the each SPV's shares capital and the SPVs issued debentures, which were backed by the credit card receivables of the Company that sold to the SPVs.

4) CREDIT RISK

Credit risk is risk due to uncertainty in a counterparty's (also called an obligor's or credit's) ability to meet its obligations. This resulted from risk factors arising under the current economic condition.

- World economic slowdown directly affects customer's ability to repay loan.
- Risk due to loan misconduct which is against the Company's objective. For instance, to increase financial liquidity, product obtaining on hire purchase system is sold for cash. This is against the Company's objective which aims to provide financial service with more convenience and satisfaction to customers for daily life.
- Risk due to discontinuing of employment in some areas, temporary cease of operation in some industries and wage reduction, which directly affect debt repayment ability of customers.
- Risk from natural disaster i.e. flood, drought and etc. affected customer's ability to repay loan.

The Company has set up standards and processes for credit approval which include credit policy, credit policy disclosure to operation officer, credit risk rating and credit scoring for customers, setting credit criteria, performing credit review, and also authority for credit approval in order to enhance the standard of credit approval onward.

5) RISK FRAUDULENT ACTS

The Company is aware of the risks from fraudulent information provided by credit applicants or contracted members' stores to let them exploit cash, product or services to result in damage of the Company's revenues caused by credit losses. The Company considers that verification in the credit approval process including the data screening with in-house database, external information (telephone directory with CD ROM for confirmation by telephone), and external observation at the applicant's home and office by survey officer is important to avoid the said risks.

The Company is aware of the risks from fraudulent acts by the credit officer who intentionally misjudges or approves credit line without compliance with the Company's credit approval criteria and that might bring credit losses that may hurt the Company's revenue. To hedge those risks, the management of credit control department and its supervisors recheck and review at random credit applications, based on the point whether the credit approval is granted appropriately or not. Besides, the collection department gives feedback information regarding approval criteria to credit control department.

6) RISK FROM DATA STORAGE

The Company is aware that its operation relies on the huge database of numerous customers' information and computer network, which may cause significant adverse effect to the Company if any contingent accident happens. Risk from data storage includes loss of the data, system failure of host computer and leakage of confidential information out of the Company and modifying existing applications through the computer network "THIN CLIENT" which be able to share application program and necessary information. The Company is able to sustain risks of information usage and if there is an incident which affects data storage, the Company can apply back up data from this system. The Company also provides confidential data backup by saving on tape recordings (Magnetic Tape), which has determined the period of record as appropriate to enhance the security of the data. The Company has kept the tapes outside the Company in a secured place which in line with the international standard. Moreover, the Company also verifies recovery processes in order to make sure that the main processes are able to run continuously. If there are any events that affect the operation. It also has a priority to protect confidential information or important information.

The Company has determined authorize person to access the information system of the Company following as appropriate of position and function and control authorize by ID for access the information system of the Company. So the Company can reduce the risk and likelihood of leakage of internal information.

Besides, for the protection of risk from leakage of confidential information out of the company, the company has also implemented from leakage of confidential information out of the company, the company has also implemented Information Security Management System (ISMS) to regional centers which consist of Chiang Mai, Khon Kaen, Hat Yai and Sriracha. That including branches for service customer. This is to ensure the selection of adequate and proportionate security controls that protect information assets of the Company and to give assurance and satisfaction of knowing that the Company is protecting all information with controls which are the best practices and are commonly used by world class organization. Moreover we will enhance information security strictly as ISO 27001:2013 requirement in next year which sustain and improve Information Security System as international organization.

7) RISK FROM THE GOVERNMENT'S CONTROL

Ministry of Finance issued a notification on the Permission to Operate Credit Card under Section of the Announcement of National Executive Council No. 58 that delegated authority to Bank of Thailand to control the credit card business. In this regard, Bank of Thailand also issued the BOT notifications with regard to the requirements and criteria in operating such business as well as determination of interest rate and fees chargeable to customers, qualifications of credit cardholders and personal loan customers. The Company is authorized to operate credit card business and personal loan under supervision including electronic payment services in accordance with the Royal Decree governing control and supervision of electronic payment services B.E. 2551 where the electronic transactions commission and the Bank of Thailand in the capacity of supervising units have issued the notifications regarding the requirements and criteria in operating such business.

Anti-Money Laundering Office has defined various measurements in preventing and suppressing the money laundering including the financing of terrorism in order to protect the country, people, financial institutions, economic system and world society from money laundering, terrorism, fraud and crimes. It therefore enacted the Anti-Money Laundering Act (No. 4) B.E. 2542 (amended) and the Counter Terrorism Financing Act B.E. 2556 including Ministerial Regulation prescribing rules and procedures for customer due diligence B.E. 2556 enforceable to financial institutions and professions who are non-financial institutions as prescribed in Section 16 of the Anti-Money Laundering Act (No. 4). The Company, as the professions who are non-financial institutions under Section 16 is obliged to comply therewith, has established the policy of anti-money laundering and combating the financing of terrorism and announced for internal enforcement. It regulates rules and procedures for customer identification, customer due diligence, risk assessment and management and transaction report as required by law.

Office of The Consumer Protection Board issued the Announcement of the Committee on Contract on: credit card business is to be a controlled business with respect to contract (No. 4) B.E. 2556 by virtue of the Consumer Protection Act (No. 2) B.E. 2541. This announcement stipulates procedures and conditions in making contract between companies as the business operators and consumers having the major essences, for instance, a contract shall contain Thai language which is clear visible and readable, text size shall not be smaller than 2 millimeters containing no more than 11 alphabets in one inch, change of credit card's conditions, interest rate, penalty rate, fees, service fees including procedures in using credit card or any provision regarding credit card shall be notified to consumers in writing not less than 30 days prior to the effective date, in case of emergency, notification can be made by mail or post in daily newspaper not less than 7 days prior to the effective date and, by mean of post in newspaper, followed by the written notification of change, etc.

The Company has strictly complied with laws, notifications and regulations in all respects. In addition, if there will be any regulation related to the Company's business is issued in the future, the Company will also comply with such regulation honestly.

8) RISK FROM NATURAL DISASTER

The natural disasters risk such as severe and widespread flood during the end of 2011 impacted many areas in Thailand is likely to recur in the future and create significant damage, which affects the Company's business operation and customers living in flooding areas. To maintain the operation and minimize the impact to customers, the Company has a back up plan to transfer some operations such as collection, judgment and customer service from Bangkok center to other centers in upcountry. In addition, the Company has insurances coverage for all assets at head office and branches nationwide to protect damage from unexpected disaster.

9) RISK OF AN OPTION TO BUY BACK EXCESS DEFAULTED RECEIVABLES FROM SPECIAL PURPOSE VEHICLE COMPANY LIMITED (SPV) UNDER THE SECURITIZATION PLAN

The Company sold an amount of revolving 4,500 million baht non-recourse credit card receivable to Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6) on May 20, 2013. The Special Purpose Vehicle Companies was incorporated under the Civil and Commercial Code of Thailand to be special purpose vehicles (SPV) under the Royal Enactment on Special Purpose Juristic Persons for Securitization B.E. 2540 (1997), under securitization plan which was approved by the Office of the Securities and Exchange Commission.

The Company has an option to buy back those excess defaulted receivables from the SPVs. However, if the Company does not exercise the option or having exercised the option fails to repurchase all such excess defaulted receivables from the Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6), such non-exercise of failure shall constitute a trigger event. Such situation will not occur as long as the Company has performed a good debt management. (Details of agreements relating to securitization transaction see Note to Financial Statements No.37.2)

10) RISK FROM CONTROLLING OF THE MAJOR SHAREHOLDER MORE THAN 50%

Currently, AEON group is a major shareholder of the Company holding 157,800,000 shares or equivalent to 63.12% of paid-up capital. This results in the fact that the major shareholder can control almost all shareholders' resolutions which require more than 50% of the votes except the agenda stipulated by Laws or Articles of Association that must have a vote of not less than three quarters of the total number of votes. Consequently, other shareholders of the Company may not be able to gather their voting rights in order to check and balance the agenda proposed by the major shareholder.

However, the Company has regularly monitored and assessed risk in all aspects. In order to evaluate the business environmental change and its effect, the Company has held monthly risk management meeting and department meeting which the executive directors and related executive managements join this meeting and consider how to improve the strategy and reach target. In addition, the Company has monitored the risks by assessing other risk factors that might affect to the Company's achievement.

SHAREHOLDING STRUCTURE

The Company has registered capital of 250 million baht, paid-up capital of 250 million baht divided into 250 million ordinary shares with a par value of 1 baht each.

List of 10 major shareholders as at February 20, 2014

NAME OF SHAREHOLDERS	NO. OF SHARES	%
1. AEON Financial Service Co., Ltd. / Japan*	87,800,000	35.12
2. ACS Capital Corporation Limited	48,000,000	19.20
3. AEON Holding (Thailand) Co., Ltd.	22,000,000	8.80
4. Thai NVDR Co. Ltd.	21,725,406	8.69
5. Mr. Chatchaval Jiaravanon	15,000,000	6.00
6. BNP Paribas Securities Services Luxembourg	10,511,900	4.20
7. BNP Paribas Securities Services London Branch	6,182,700	2.47
8. The Hong Kong and Shanghai Banking Corporation Limited Fund Services Department	4,367,400	1.75
9. Aberdeen Long Term Equity Fund	3,233,500	1.29
10. Aberdeen Growth Fund	2,976,300	1.19

Source : Thailand Securities Depository Co., Ltd.

Shareholders from AEON Group are as follows :

SHAREHOLDER/ LOCATION	RELATIONSHIP	NO. OF SHARES	%
1. AEON Financial Service Co., Ltd. / Japan*	AEON Co., Ltd. (Japan) is the major shareholder.	87,800,000	35.12
2. ACS Capital Corporation Ltd. / Thailand	AEON Financial Service Co., Ltd. is the major shareholder.	48,000,000	19.20
3. AEON Holding (Thailand) Co., Ltd. / Thailand	AEON Co., Ltd. (Japan) is the major shareholder.	22,000,000	8.80
Total		157,800,000	63.12

* AEON Credit Service Co., Ltd. changed its name to AEON Financial Service Co., Ltd., a major shareholder of AEON Thana Sinsap (Thailand) Plc. and resolved the transition to be a holding company on April 1, 2013. However, shareholding in AEONTS remains the same.

STRUCTURE OF DIRECTORS OF THE COMPANY

The Company has two committees; the Board of Directors of the Company and the Audit Committee, the details of which are as follows:

BOARD OF DIRECTORS OF THE COMPANY

As of February 20, 2014, Board of Directors of the Company composed of 12 directors whose names and the number of Board of Directors' Meetings, which they attended in the FY2013, are listed below:

NAME	POSITION	NUMBER OF MEETINGS ATTENDED
1. Mr. Masanori Kosaka ^{1, 2}	Chairman of the Board	2/6
2. Mr. Yasuhiko Kondo ¹	Vice Chairman of the Board and Managing Director	8/8
3. Mrs. Suporn Wattanavekin	Director	8/8
4. Ms. Kannika Kursirikul	Director	8/8
5. Mrs. Jiraporn Kongcharoenwanich	Director	8/8
6. Mr. Jun Suzuki	Director	7/8
7. Mr. Shiro Ishida	Director	6/8
8. Mr. Chatchaval Jiaravanon	Director	4/8
9. Mr. Noppun Muangkote	Independent Director and Chairman of Audit Committee	8/8
10. Mr. Dej Bulsuk	Independent Director and Audit Committee Member	6/8
11. Mr. Shunichi Kobayashi	Independent Director and Audit Committee Member	8/8
12. Dr. Sucharit Koontanakulvong	Independent Director	7/8

Note : ¹ The authorized signatory of the Company is Mr. Masanori Kosaka or Mr. Yasuhiko Kondo with affixing the Company's seal.

² Appointed Mr. Masanori Kosaka to be Chairman of the Board of the Company on June 18, 2013.

The Company has appointed Miss Supanee Asawasuan, Senior Vice President, Corporate Planning Office, to be the Corporate Secretary. (Details of Corporate Secretary shown in Profile Management)

Scope of powers and duties of the Board of Directors of the Company

1. A director shall perform his/her duties in compliance with the law, objectives and articles of association of the Company as well as the resolutions of the shareholders' meeting.
2. A director shall not operate any business which has the same nature as and is in competition with that of the Company, nor be a partner in an ordinary partnership or unlimited partner in a limited partnership, nor be a director in other limited or public limited company having a business of a similar nature competing against the business of the Company, unless they have informed the shareholders' meeting before the resolution appointing them as directors has been passed.
3. A director shall, without delay, informs the Company in case where he/she has a direct or indirect interest in any contract, which is made by the Company, or he/she holds shares or debentures of the Company or an affiliated company increasingly or decreasingly.
4. The Board of Directors' meeting shall be hold at least once every three months.
5. A Director who has an interest in any resolution shall have no right to vote on such resolution.
6. At any meeting, in case of equality of votes, the chairman of the meeting shall be entitled to a casting vote.

Scope of duties and responsibilities of the Corporate Secretary

1. Prepare and maintain the following documents:
 - a. Directors' Registry
 - b. Notices for the Board of Directors' Meetings, Minutes of the Board of Directors' Meetings and Annual Report of the Board of Directors
 - c. Notices for the Shareholders' Meetings and Minutes of the Shareholders' Meetings
2. Maintain the Report on Stake Holding of Directors and Management.
3. Carry out other tasks as assigned by the Board of Directors.

Independent Directors and Audit Committee

As of February 20, 2014, the Audit Committee composed of 3 members whose names and the number of the audit committee meetings, which they attended in the FY2013, are listed below:

NAME	POSITION	NUMBER OF MEETINGS ATTENDED
1. Mr. Noppun Muangkote	Independent Director and Chairman of Audit Committee	7/7
2. Mr. Dej Bulsuk	Independent Director and Audit Committee Member	5/7
3. Mr. Shunichi Kobayashi	Independent Director and Audit Committee Member	7/7

Scope of powers and duties of the Audit Committee

The Board of Directors' meeting approved the preliminary policies of Audit Committee which was in line with Notification of the Stock Exchange of Thailand regarding Qualifications and Scope of Work of the Audit Committee, 2008. Details can be summarized as follows:

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

- 6.8 other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.
7. Perform anything else which was assigned by the Board of Directors of the Company together with an approval and under the scope of duties and responsibilities of the Committee.

DEFINITION OF INDEPENDENT DIRECTOR

The qualification of "Independent Director" has been defined by the Company which are required by Securities and Exchange Commission and the Stock Exchange of Thailand, as summarized below.

1. They must not involve in the day-to-day management of the Company or an affiliated company, an associated company, a related company or with the major shareholders of the company.
2. They must not be the employees or a staff member or an advisor who receives a regular salary from the Company, an affiliated company, an associated company, a related company or the major shareholders of the company.
3. They must be free of any present, directed, financial or, other interest in the management and business of the listed company, its subsidiaries, associated companies, or its major shareholders and must be free of any past direct or indirect, financial, or other interest in the management and business of the company.
4. They must not be a relative of any executive director, executive officer or major shareholders of the Company.
5. They must not be acting as a nominee or representative of any director, major shareholder, or shareholders who are a relative of any major shareholders of the Company.
6. They must be able to carry out their duties, exercise their judgment, and report the committee's performance, which are assigned by the board of directors without influenced by executive directors or major shareholders of the Company.
7. Any criteria specified by Stock Exchange of Thailand and Securities and Exchange Commission which are:
 - (1) Must not hold more than one percent of the total voting rights in the Company, the Company's subsidiary or affiliated company with potential conflicts of interest.
 - (2) Must not have a connection to the Company and associated company as a stakeholder or as recipient of financial or management benefits for at least two years. Examples of this connection are:
 - being a management member, employee, staff, or advisor who receives a salary, or a person with controlling power in the Company or subsidiary company, or a person with a potential conflict of interest;
 - having a business relationship, an interest or a stake whether directly or indirectly both financially and in the management of the Company, subsidiary or affiliated company which may lead to a lack of independence;
 - being a provider of professional service, such as an auditor, legal consultant, financial consultant, or property assessor;
 - being a close relative of an executive, a major shareholder of the Company, subsidiary or affiliated company, or is appointed to protect the interests of a director or major shareholder;
 - not operating the same and competitive business with the business of the Company, or its subsidiary, or is not a significant partner of the partnership, or is not an executive director of any other company which operates same and competitive business with the business of the Company, or its subsidiary;
 - not having any otherwise connection which is unable to have the independent opinion regarding the business operation of the Company.

The Company requires audit committee members who are independent directors to meet at least four times a year to promote the opportunity for them to meet among themselves to propose guidelines in improving the quality of the Company's corporate governance consistent with good governance practices of registered companies in the Stock Exchange of Thailand.

Management

As of February 20, 2014, the Company has totaling 15 executive officers, whose names are as listed below:

NAME	POSITION
1. Mr. Yasuhiko Kondo	Vice Chairman of the Board and Managing Director*
2. Mrs. Suporn Wattanavekin	Director*
3. Ms. Kannika Kursirikul	Director*
4. Mrs. Jiraporn Kongcharoenwanich	Director*
5. Mr. Jun Suzuki	Director
6. Mr. Shiro Ishida	Director
7. Mr. Tawatchai Peechapat	SVP – MIS Department
8. Mr. Nuntawat Chotvijit	SVP – Marketing
9. Mrs. Supattra Rugkhumkaew	SVP – Branch Management
10. Ms. Supanee Asawasuwana	SVP – Corporate Planning Office
11. Ms. Suriporn Thammavattid	SVP – Collection Department
12. Ms. Ryoko Yaoi	SVP – Customer Service
13. Mr. Tsuyoshi Wada	SVP – System
14. Mr. Wichasorn Suwannakindra	SVP – Business Control Management
15. Mr. Manavudhi Mingvanich	SVP – System Development

* Directors who involve in day-to-day operation of the Company

Note :

- The Company appointed Mr. Wichasorn Suwannakindra to be SVP – Business Control Management on March 1, 2013.
- The Company appointed Mr. Manavudhi Mingvanich to be SVP – System Development on August 21, 2013.
- Details of managements shown in Profile of Director and Management

Scope of power and duties of Managing Director

The Managing Director shall have the authority and duty to manage the Company as delegated by the Board of Directors and shall perform in accordance with the corporate plan including conducting and/or managing the Company's routine tasks, and conducting activities pursuant to the policies, business plans and budget as approved by the Board of Directors. In this regard, the Managing Director can delegate the other person(s) the authority to perform his duties.

The Managing Director or the person(s) delegated by him shall not approve, involve in or transact business, or deal in which he or any person who is likely to have a conflict of interest, has an interest or is likely to have a conflict of interest of any kind with the Company or the Company's subsidiaries.

Risk Management Committee

AEONTS is aware that there are various risk factors that may affect the Company's business operations. The Company has accordingly established risk management committee on November 22, 2013 comprising 15 managements as listed below:

Name	Position
1. Mr. Yasuhiko Kondo	Managing Director
2. Mrs. Suporn Wattanavekin	Director
3. Ms. Kannika Kursirikul	Director
4. Mrs. Jiraporn Kongcharoenwanich	Director
5. Mr. Wichasorn Suwannakindra	Senior Vice President
6. Ms. Suriporn Thammawatid	Senior Vice President
7. Mr. Nuntawat Chotvijit	Senior Vice President
8. Mrs. Supattra Rugkhumkaew	Senior Vice President
9. Ms. Ryoko Yaoi	Senior Vice President
10. Mr. Tsuyoshi Wada	Senior Vice President
11. Mr. Tawatchai Peechapat	Senior Vice President
12. Mr. Manavudhi Mingvanich	Senior Vice President
13. Ms. Supanee Asawasuwana	Senior Vice President
14. Mr. Takanao Iwai	Senior Vice President
15. Mr. Kazumasa Oshima	Vice President

Mr. Alongkorn Sattabusaya, Vice President and Ms. Kozue Morioka, Manager are the Secretary to the Risk Management Committee. AEONTS arranges the risk management committee meeting every month together with AEON Financial Service Co., Ltd. Japan, as well as all affiliated companies both domestic and overseas by means of Video Conference. The roles of the Committee are to determine guidelines for risk management, control risks within acceptable limits and regularly review business operation in order to strengthen the current standard and availability for support relevant risks that may incur in the future.

NOMINATION OF DIRECTORS AND EXECUTIVES

The process of nominating director is not performed by Nomination Committee as the Company has not yet appointed Nomination Committee. However, the Board of Directors will consider nominating director from qualifications, experiences and expertise in various areas. And the general meeting of shareholders will elect and appoint the directors of the Company. The Board of Directors shall operate the business of the Company under the control of the general meeting of shareholders and the articles of association of the Company. The procedure for the appointment of directors can be summarized as follows:

1. One shareholder has one vote per one share;
2. In choosing the directors, the voting method used may be to vote on candidate by candidate or several candidates together, whichever the shareholders' meeting finds appropriate, but in voting to pass the resolution the shareholders shall vote using all the votes under Clause 1 which cannot be divided for any person or group to any extent at all.
3. In the election of the directors, the vote shall be on the majority basis. In case of equality of votes, the chairman of the meeting shall be entitled to a casting vote.

The Chairman of the Board is the representative of the AEON Financial Service, Japan, which held the Company's shares of 54.32% and he is not the Managing Director of the Company. Both of them are the representatives from the same major shareholders. In order to balance the power of management, the Company's board structure also consists of 4 independent directors which are not less than one - third of total board members.

CHANGE IN SHAREHOLDING OF BOARD OF DIRECTORS AND MANAGEMENT

At the end of fiscal year 2013, directors and management's shareholding in the Company are as follows;

NAME - SURNAME	POSITION	NO. OF COMMON SHARE HELD (SHARES)		
		FEBRUARY 20, 2013	+ / (-)	FEBRUARY 20, 2014
1. Mr. Masanori Kosaka	Chairman of the Board	100,000	-	100,000
2. Mr. Yasuhiko Kondo	Vice Chairman of the Board and Managing Director	100,000	-	100,000
3. Mrs. Suporn Wattanavekin	Director	200,000	-	200,000
4. Ms. Kannika Kursirikul	Director	50,000	-	50,000
5. Mrs. Jiraporn Kongcharoenwanich	Director	1,200	-	1,200
6. Mr. Jun Suzuki	Director	-	-	-
7. Mr. Shiro Ishida	Director	12,000	-	12,000
8. Mr. Chatchaval Jiaravanon	Director	15,000,000	-	15,000,000
9. Mr. Noppun Muangkote	Independent Director and Chairman of Audit Committee	130,000	-	130,000
10. Mr. Dej Bulsuk	Independent Director and Audit Committee Member	20,000	29,400	49,400
11. Mr. Shunichi Kobayashi	Independent Director and Audit Committee Member	100,000	-	100,000
12. Dr. Sucharit Koontanakulvong	Independent Director	-	-	-
13. Mr. Tawatthai Peechapat	SVP - MIS Department	1,000	-	1,000
14. Mr. Nuntawat Chotvijit	SVP - Marketing	-	-	-
15. Mrs. Supattra Rugkhumkaew	SVP - Branch Management	2,000	100	2,100
16. Ms. Supanee Asawasuan	SVP - Corporate Planning Office	2,700	-	2,700
17. Ms. Suriporn Thamavattid	SVP - Collection Department	-	-	-
18. Ms. Ryoko Yaoi	SVP - Customer Service	-	-	-
19. Mr. Tsuyoshi Wada	SVP - System	-	-	-
20. Mr. Wichasorn Suwannakindra	SVP - Business Control Management	200	-	200
21. Mr. Manavudhi Mingvanich	SVP - System Development	-	-	-

Note : - Based on the information according to the report of interest of directors and management as of February 20, 2014

REMUNERATION OF THE BOARD OF DIRECTORS AND MANAGEMENT

The determination of remuneration of the Company's directors is not performed by Remuneration Committee as the Company has not yet appointed Remuneration Committee. However, the Board of Directors' Meeting had made an annual review of the directors' remuneration to ensure that remuneration is commensurate with their duties and responsibilities and then proposed to the shareholders' meeting to consider and approve.

MONETARY REMUNERATION

At the end of FY2013, the Company has totaling 12 directors and 15 executive officers, of which 6 executive officers are the Company's directors. The monetary remuneration of the Board of Directors and Management for FY2013 commencing from February 21, 2013, and ending on February 20, 2014, can be summarized as follows:

TYPES OF REMUNERATION	REMUNERATION OF EXECUTIVE OFFICERS (MILLION BAHT)	
	FY2012	FY2013
Number of Board of Directors ¹	12	12
Number of Executives ^{1,2}	14	15
Salary and other incentives for executive officers	59.87	61.65
Directors' remuneration	8.23	11.78
Contribution added into provident fund	0.76	2.59
Long-term management remuneration ³	1.52	3.48
Total	70.38	79.50

Note : ¹ Not included resigning Directors and Executives during the year

² Management under SEC definition is ranking from the position of SVP upward.

³ Long term Management Remuneration for executive officers means estimation of benefits for each executive by evaluating the present value of cash flow expected to be paid in the future in accordance with Thai Accounting Standards No. 19 Re: Employee Benefits. The Company recognized costs for employee benefits as employee related costs in the Profit and Loss Statements.

Directors' remuneration in FY2013 can be summarized as follows:

NO. - NAME - SURNAME	POSITION	REMUNERATION (MONTHLY)	BONUS 2013	TOTAL REMUNERATION
1. Mr. Masanori Kosaka ^{2,3}	Chairman of the Board	-	-	-
2. Mr. Yasuhiko Kondo ¹	Vice Chairman of the Board and Managing Director	-	2,300,000	2,300,000
3. Mrs. Suporn Wattanavekin ¹	Director	-	820,000	820,000
4. Ms. Kannika Kursirikul ¹	Director	-	780,000	780,000
5. Mrs. Jiraporn Kongcharoenwanich	Director	-	700,000	700,000
6. Mr. Jun Suzuki	Director	-	1,787,945	1,787,945
7. Mr. Shiro Ishida	Director	-	600,000	600,000
8. Mr. Chatchaval Jiaravanon	Director	810,000	300,000	1,110,000
9. Mr. Noppun Muangkote	Independent Director and Chairman of Audit Committee	810,000	250,000	1,060,000
10. Mr. Dej Bulsuk	Independent Director and Audit Committee Member	690,000	200,000	890,000
11. Mr. Shunichi Kobayashi	Independent Director and Audit Committee Member	690,000	200,000	890,000
12. Dr. Sucharit Koontanakulvong	Independent Director	690,000	150,000	840,000
Total		3,690,000	8,087,945	11,777,945

Note : ¹ Executive directors

² Directors from AEON Financial Service do not have any remuneration from the Company

³ Appointed to be Chairman of the Board on June 18, 2013

OTHER REMUNERATION

-None-

EMPLOYEES

As of February 20, 2014, the Company had 5,895 employees in total, divided into 4,822 regular employees and 1,073 temporary employees. All those employees can be divided based on the Company's branch offices as follows:

	NUMBER OF EMPLOYEES (PERSON)		TOTAL
	REGULAR EMPLOYEES	TEMPORARY EMPLOYEES	(PERSON)
Head Offices	3,191	2	3,193
Branches in Bangkok	131	323	454
Branches in upcountry	560	748	1,308
Service Counter-Bangkok	333	-	333
Service Counter in upcountry	607	-	607
Total	4,822	1,073	5,895

POLICY FOR EMPLOYEE DEVELOPMENT

■ Human Resource Development

The Company has continually placed a great emphasis on personnel development by providing various training courses; In-house and External Training: for its staff at all levels, including the Management on a regular basis. This extensive training comprises training courses in technical and professional skills, information technology, business administration, management, and etc.,

The Company also has arranged a training course for new staff in order to make them have a good understanding of the operating procedures of the department which they are assigned before starting their jobs. Moreover, in order to increase work efficiency and enhance personal skills to all executive officers and staffs, the Company has a policy to set up annual training programs for all staffs and also give an opportunity for them to additionally attend outside training programs from other institutions.

To improve staff competency and strengthen organizational capability, the Company has strongly supported the Human Resource Development to find more efficient courses for the staff and also planned to increase the employee development budget every year.

■ Kaizen

The company has a policy of AEON to support Kaizen activities and enhance the potential of all staff in the organization. “Kaizen” is a tool in the administration. The word kaizen means “Continuous improvement” which presents the concept of continuous improvement by pulling abilities of all staff to improve their job responsibilities. The achievement of Kaizen depend on individual person can present their creativeness.

The techniques of Kaizen are to improve working methods and implement it to achieve the goals. Therefore it must start from the creation of working environment to facilitate the operation.

■ Internal Communication

The company has put in place a highly-efficient and rapid communication with employees that the Company has more channels of complaint via AEON 191 as follows.

- Channel 1 – E-mail
- Channel 2 – Telephone
- Channel 3 – Web site

GOVERNANCE OF THE USAGE OF INSIDE INFORMATION

AEONTS recognizes the importance of information disclosure and transparency to all related parties including shareholders, investors, securities analysts and the public. The Company sets up the policies to protect directors and executive officers to exploit the Company’s inside information for their own benefit. (Detailed as prescribed in Equitable Treatment of Shareholders under Corporate Governance)

In addition, the directors, executives, and employees have to sign in the agreements for keeping confidential information and/or the Company’s inside information. The Company also has the penalties imposed upon those who violate such agreements.

INTERNAL CONTROL

The Company has recognized the importance of the effective internal control and internal audit system. Internal Control has been reviewed based on COSO Internal Control Framework in 5 components:

- 1. Organization and Control Environment :** The Company has appropriate organizational structure which is suitable for the company's business operations. Internal controls system has been established covering on areas of accounting and finance, operations, organization and human resources, and compliance with applicable laws and regulations as well as the company's rules and policies. The Company has also clearly defined on power of authority and financial authority stipulated in Table of Authority Level.
- 2. Risk Assessment :** Risk Management Committee and Policy of Risk Management have been established to assess and monitor risks facing in the Company's business and operations. The result is reported regularly to management as monthly basis.
- 3. Control Activities :** Operation Manual has been established for all departments and key operational processes to control activities which emphasizes on reliability of information, asset safeguarding and information system controls.
- 4. Information and Communication :** The Company realizes the importance of the adequacy of information system and reporting data for operation and management decision. The Company's information system has been developed continually for its accuracy and readiness.
- 5. Follow-up and Monitoring :** The Company's management monitors the Company's and subsidiaries' financial and operating results on monthly basis, and keeps the board members informed on a quarterly basis.

At the meeting of the Audit Committee Members on April 17, 2014, the Audit Committee meeting evaluated the sufficiency of internal control systems by asking for information from the Company's management, related departments and Internal Audit Department. The evaluation concluded that the Company has appropriate and sufficient internal control systems. Management control was in place to enable the Company to safeguard assets of the Company and its subsidiaries from authorized uses, ensure the accuracy and reliability of financial reporting, and ensure that business transactions are conducted in accordance with proper approved level of authority. It was also independently reviewed by Internal Audit Department.

The Internal Audit Department and Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, the official auditor of the Company's financial reporting, did not find any material non-conformance of the Company's internal control system in 2013.

DIVIDEND POLICY

The policy for dividend payment of the Company is at the rate of not less than 30% of the Company's consolidated net profit. The Board of Directors' resolution of dividend payment has to be approved at the Shareholders' Meeting, unless it is an interim dividend distribution. The Board of Directors authorized to approve the interim dividend payment before reporting it at the next Shareholders' Meeting.

The Company pays dividends to shareholders twice a year. The first dividend payment shall be paid as an interim dividend, which will be distributed from the first half year operating results and the second dividend payment shall be paid as an annual dividend, which will be distributed from the operating results of the second half year.

For the fiscal year 2013, the Board of Directors' Meeting on September 21, 2013 resolved to pay interim dividend payment at 1.60 baht per share, and paid the dividend to shareholders on October 24, 2013. In addition, the Board of Directors' meeting on April 23, 2014 approved the final dividend payment of 1.85 baht per share, which will be paid after being approved by the shareholders meeting on June 12, 2014. Totally, dividend payment for FY2013 will be 3.45 baht per share, totally 862.5 million baht.

The dividend payments of the Company compared to the previous year are as follow:

(baht per share)

	FY2012	FY2013
Interim Dividend	1.15	1.60
Final Dividend	1.85	1.85
Total	3.00	3.45
Payout ratio	44.41%	34.48%

THE AUDITORS' REMUNERATIONS

For the fiscal year 2013 ended February 20, 2014, the Company appointed three auditors from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. Deloitte Touche Tohmatsu Jaiyos Audit Company limited and the auditors proposed as auditor of the Company and subsidiaries have no relationship or any interest with the Company or subsidiaries, executives, major shareholders, or related persons, in the way impact their performing task independently. Moreover, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited is the auditor of, the subsidiaries of the Company in Thailand, Eternal 4 Special Purpose Vehicle Co., Ltd., Eternal 5 Special Purpose Vehicle Co., Ltd., Eternal 6 Special Purpose Vehicle Co., Ltd., AEON Insurance Service (Thailand) Co.,Ltd, ACS Servicing (Thailand) Co.,Ltd. The auditors of the Company and subsidiaries are as follows:

- | | |
|-----------------------------------|---------------------------|
| 1. Dr. Suphamit Techamontrikul | CPA Registration No. 3356 |
| 2. Mr. Permsak Wongpatcharapakorn | CPA Registration No. 3427 |
| 3. Mr. Chavala Tienpasertkij | CPA Registration No. 4301 |

The auditors' remunerations for the fiscal year 2013 ended February 20, 2014 are as follows:

	THE COMPANY	SUBSIDIARIES
Auditor fee	5,300,000 baht	3,331,046 baht
Non- auditor fee (Miscellaneous expenses*)	136,000 baht	37,198 baht
Total	5,436,000 baht	3,368,244 baht

Note : * The miscellaneous expenses are copy, stamps, transportation etc. pay to Deloitte Touche Tohmatsu Jaiyos Audit Company Limited

1. RIGHTS OF SHAREHOLDERS

Recognizing the importance of the shareholders' rights, including sharing in the Company's profit, being able to buy, sell or transfer shares, receiving adequate information, participating and voting in the shareholders' meeting on significant issues, etc., the Company has continually protected and encouraged the shareholders to exercise their rights by emphasizing the disclosure of accurate, complete, timely, and transparent information to shareholders. In 2013, the Company has taken step to promote the shareholders' rights on the following tasks:

1. The Company conducted shareholders' meetings on June 18, 2013 at Ballroom 1, Sofitel Bangkok Sukhumvit Hotel, 189 Sukhumvit Road Soi 13-15, Klongtoey Nua, Wattana, Bangkok (No extraordinary meeting was held this year). The Company sent notification of shareholders' meeting, containing agenda details and related appendices together with opinion of the Board of Directors, Articles of Association relating to shareholder's meeting, proxy forms, a list of all Independent Directors, a map showing the meeting venue, and also the criteria and procedures governing shareholders' meeting to shareholders for their consideration 15 days prior to the meeting as well as disclosed the notice of shareholders' meeting on the Company's website at least 30 days before the Annual General Meeting date and 15 days prior to the Extraordinary General Meeting date. To comply with Public Limited Companies Act, B.E. 2535 (1992), the shareholders' notice was also published in a Thai and English daily newspaper.
2. The Company always allows registration of shareholders at least 1 hour before each meeting. Barcode system was used for shareholder registration and proxy registration, allowing for a quick and efficient registration procedure and also printed ballots were handed out to each shareholder for voting.
3. Before each meeting, Company Secretary clearly informed all shareholders of voting and vote counting procedures with one share being equal to one vote. The Company will provide an independent legal advisor together with shareholder volunteers to witness ballot counts for greater transparency. To protect the rights of shareholders, the Company conducts balloting for each matter separately. In addition, approval of each resolution was based on the majority votes, except for special resolutions which required approval of no less than three-fourths of total votes of eligible voters present at the meeting.
4. For the shareholders' meeting on June 18, 2013, Vice Chairman of the Board of directors was the Chairman of the meeting as the Chairman of the Board of directors cannot attend the meeting. There were 10 directors in attendance such meeting together with auditor and legal advisers of the Company. The Chairman of the meeting had allocated appropriate time and encouraged equal opportunities for shareholders to express their opinions and raise any questions at the meeting. Those issues and questions are also included in the minute of the meeting. Shareholders are free to send their meeting-related questions to the Company at least 15 days before of the meeting date.
5. The Company regularly disseminates information to shareholders via the Stock Exchange of Thailand (SET) channel, media, and publications, including on the Company's website and also set up information request through the E-mail addresses of the Investor Relations section.

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company provides the translation of shareholders' meeting supplementary documents in English and conducts the meeting in both Thai and English to facilitate Thai and foreign shareholders and always treats all shareholders fairly through the following actions:

1. The Chairman of the meeting conducts the meeting in sequence of agenda items as specified in the notice and not adding agenda items without notifying shareholders in advance, so that they may have enough time for investigation before making their decisions.
2. Shareholders have an option to appoint any Independent Directors as their proxies, and a choice over which Independent Director(s) to entrust their views by providing shareholders with a list of all Independent Directors on proxy forms that allow balloting direction, to encourage them to decide their own voting direction.
3. The Company has encouraged shareholders to use ballots in every agenda item by using voting tickets provided for each critical matter separately. The voting tickets are collected at the meeting and then summed with the pre-cast votes as prescribed in the proxy forms before announcing the resolution to the meeting.
4. The Company duly submits the minutes, with voting records to SET within one day after the meeting. Also, the Company records the minutes accurately and completely for sending to SET and the Securities and Exchange Commission (SEC) within 14 days after the meeting. The minutes are also posted on the Company's website.
5. The Company sets up the following policies to protect directors and executive officers to exploit the Company's inside information for their own benefit.
 - The directors or executive officers, including his/her spouse and minor child, shall not use any inside information for the buying, selling, transferring or acceptance of transfer of the Company's securities before the disclosure of such information to the public, especially one month before the disclosure of the financial statement to the public. In addition, after the disclosure of the information, the above-mentioned person should not buy or sell securities until the public has received such information and had an opportunity to evaluate it thoroughly.
 - The Company shall educate the directors and executive officers who have responsibilities to report the possession of the securities by himself/herself, his/her spouse and his/her minor child that when the directors or executive officers including their spouse or their minor child buy, sell, transfer or accept transfer of the securities of the Company, they have duties to submit the reports of securities holding in accordance with the rules, conditions and procedures specified in the notification of the Capital Market Supervisory Board.
6. The Company establishes directors and executives to report on their interests and related persons' interests to the Corporate Secretary, providing a copy of such reports to the Chairman of the Board and the Chairman of Audit Committee as specified by the Securities and Exchange Act, and report on changes in such reports.

However, the Company is now studying a process of allowing each shareholder to propose agenda items for consideration at a shareholders' meeting as well as allowing each shareholder to nominate Directors who must meet the qualifications of Company directorship ahead of the actual meeting date.

3. ROLES OF STAKEHOLDERS

The Company recognizes the importance of rights of all stakeholders, including shareholders, employees, customers, competitors, business partners, creditors and society and environment. The Company's guidelines for treatment of major stakeholders are summarized as follows:

Shareholder	The Company is responsible to the shareholders by emphasizing on sustaining business growth in order to create long-term returns to maximize shareholder value. After became listed company in 2001, the Company has continually generated dividend payment every year. In addition, the information disclosed to the shareholder is transparency, fairness and reliable.
Employee	The Company has recognized its employees as crucial to success. The Company therefore recruits and hires qualified and experienced persons as well as supports good quality of life and good environment in the workplace, regularly educates the employees to ensure their standards of professional service to customers. The employees also receive fairly benefits and reward for their dedication to the Company on yearly basis.
Customer	As customers' satisfaction is the first priority focus, the Company has provided variety of products to satisfy customers' need and committed to promote secure management of personal information and raised awareness of the need to protect personal information and comply fully with relevant laws. In addition, the Company has Customer Service Department to be responsible for customer relationship management involving inquiry and complaint resolution in the framework of customer satisfaction approach, which is evaluated and reported to the management on monthly basis.
Competitor	The Company executes the business under a fair competition and integrity approaches. During the past year, the company does not have any legal issues with its competitors for unfair business.
Business partner	The Company strictly treats any agreements and conditions with honorably for a long-term relationship with all partners.
Creditor	The Company abides by lending terms and conditions, and all legitimate duties to creditors and debenture holders. In addition, the Company values compliance with all obligations under Securitization Law 1997, as the Company raised fund through securitization by establishing Special Purpose Vehicle Company.
Society and Environment	The Company is aware of the responsibility towards the public and environment by supporting activities that conserve the environment and contribute to society. (Please see more information under Corporate Social Responsibility Part)

4. INFORMATION DISCLOSURE AND TRANSPARENCY

4.1 Disclosure of Information as prescribed in Listed Company Requirements

Information disclosure is a crucial principle for Good Corporate Governance. The Company has set up clear policies, approved by the Board of Directors, relating to information disclosure for external parties in order to ensure that such disclosure information; financial and non-financial information, is accurate, adequate, timely, and equally accessible by all related recipients and also complies with related laws and regulations. Apart from annual disclosure (Form 56-1) and Annual Reports (Form 56-2), most of the information is posted on the Company website in Thai and English with regular updates, thus helping shareholders, customers and interested persons to access the information with ease, equality and reliability.

The Company also disclosed other financial transactions such as issuing debenture and securitization to analysts and investors through the Company's website; www.aeon.co.th, and press release. The Investor Relations also communicated with investors through conference calls and email on regular basis.

The financial information, particularly the financial statements have been reviewed/audited by the external auditor in accordance with generally accepted auditing standards. These financial statements have been reviewed by the Audit Committee and endorsed by the Board of Directors before disclosure to the public. The Board also reports its responsibility to financial reports in the annual report. For non-financial information such as connected transactions, management discussions and analysis, risk management information and the Company's corporate governance, the Company has published such information in the annual report and Form 56-1 for the benefit of shareholders, investors, and analysts. All disclosed information is disseminated in both Thai and English version on the Company's website, and its accuracy has been regularly maintained and reviewed.

In addition, the Company also discloses other information such as background of the directors, the duties of the Board of Directors, number of meeting and attendance of each director, the remuneration of directors and managements, change in shareholding of Board of Directors and Management, and etc., in annual report and Form 56-1.

4.2 Investor Relation

The Investor Relations section has been assigned to take the responsibility of providing and disseminating information and activities of the Company of the benefits with institutional and individual investors, stock analysts, shareholders, and other people. Investors and interested parties can contact Investor Relations section directly for the Company's information, including financial statements, annual report, and notifications to SET/SEC, etc.

Contact with Investor Relations Section

Telephone : 0-2689-7008-9
 Fax. : 0-2689-7007
 E-mail : ir@aeon.co.th
 Address : AEON Thana Sinsap (Thailand) Public Company Limited
 388 Exchange Tower, 27th Floor, Sukhumvit Road
 Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110
 Website : <http://www.aeon.co.th> (select Investor Relations)

The Company has conducted company visit for both domestic and international analysts and investors and also joined domestic and international roadshow activities every year. During the fiscal year 2013, the Company provided information to;

FORMS OF ACTIVITIES	NUMBER OF TIME
Foreign investors through international road show	7
Domestic intuitionial investors	4
Company visit	57
Analyst through yearly analyst meeting	1
Total	69

5. PREVENTIVE MEASURES AGAINST CORRUPTION INVOLVEMENT

The Company has established rules and regulations regarding anti-corruption by prohibiting directors, managements and staff from carrying or taking all kinds of corruption whether directly or indirectly and seriously prohibiting all staff or any their families' members from demanding for properties, money, gifts or benefits from suppliers, sellers, contractors, sub-contractors, business partners or persons related to the Company's business in any respect as well as receiving gifts or articles from persons related to the Company's business. Such aforesaid action may result

to decision making of the staffing performing any dishonest and unlawful actions which lead to corruption or conflict of interests, as the case may be.

The Company has performed preventive actions against corruption involvement by communicating to all directors, managements and staff. The operation processes are strictly in line with the laws. In case of any defect in the operation processes due to negligence, unknowing ground, punishments as prescribed by law will be imposed without evading from such guilty. In addition, the Company has also implemented the reporting channel if staff found any violation or corruption and has measures to protect staff who reported or provided cooperation in reporting corruption matters.

6. RESPONSIBILITIES OF THE BOARD

Board Structure

As at February 20, 2014, the Board of Directors consists of 12 Directors as follows:

- 4 Executive Directors
- 4 Non-Executive Directors
(3 directors from AEON Financial Service (Japan), and 1 outside director)
- 4 Independent Directors

The authorized signatory of the Company is Mr. Masanori Kosaka or Mr. Yasuhiko Kondo with affixing the Company's seal.

The proportion of independent directors is equivalent to one-third of total board members. The qualification of independent director as specified by the Company is in compliance with the regulation of the SET and SEC. (Please see the names of directors, duties and responsibilities of the board of directors, and detail of independent directors' qualification in Management part)

The Chairman of the Board of Directors is from AEON Financial Service Co., Ltd. (Japan), the major shareholder, and not the same person as Managing Director. The Directors perform their duties in compliance with the law, objectives, and articles of association of the Company as well as the resolutions of the shareholders' meeting.

In terms of office, the Board of Directors has established directorship term in the Articles of Association of the Company which states that at each annual ordinary meeting of shareholders, one-third (1/3) of the directors shall retire. If the number of directors is not a multiple of three, the number of directors closest to one-third (1/3), but not in excess of one-third (1/3), of the total number of directors shall retire. In addition, a director who vacates his office may be re-elected.

The Board of Directors appointed a company secretary to serve the Board of Directors in the areas of providing legal advice, taking care of the Board's activities, and monitoring compliance to the Board's resolution.

Committee

Currently, the Company has audit committee which consists of 3 independent directors. (Please see the detail of audit committee in Management part)

In addition, the Company has Executive Committee which consists of 4 executive directors to study and screen special tasks on behalf of the Board, especially issues that need unbiased opinions and monitor the Company's operation in each department to achieve the Company's objectives and to ensure efficiency in the management and operation as well as compliance with relevant laws and ethical standards. By doing this, the Executive Committee Meeting usually holds twice a month.

To improve work efficiency of the Board, the Board of Directors is now in process of setting up several committees; such as nomination committee, remuneration committee and etc., to handle specific tasks for the Board.

Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors considers and approves the important issues regarding the Company's operation such as strategies, financial goal, budget, etc., supervises the Management's performance to comply with the specified policies and plans, effectively and efficiently, and also provides the system to monitor, improve, and evaluate the Company's operation in order to achieve the Company's maximum value.

After the Company became a public limited company and the listed company in 2001, the Board of Directors prepared and determined the code of best practices in accordance with the rules and regulations of the Stock Exchange of Thailand to provide the maximum benefit to the shareholders. The Board of Directors has initially approved the principle of corporate governance policy of the Company.

The Executive Committee and the Audit Committee reviewed and approved the new principles of good corporate governance for the Company as follows:

- Facilitate all shareholders with fair and equal treatments
- Operate business with transparency and scrutiny, and disclose adequate information to all stakeholders and related parties
- The responsibilities of executive committee and management must be clear and concise with check and balance control system
- Must follow all the related rules and regulations
- Determine to create long-term value-added to the corporate for the maximum benefit of the shareholders, mitigate conflict of interest
- Strict to the code of corporate ethics and engage in activities that conserve the environment and contribute to society
- Must have meeting regularly, all information must be given before the meeting according to the rule and regulations and must have a well prepared minutes

The Company has provided "AEON Code of Conduct" for the Board of Directors, the Management, and the employees of the Company to use as a guideline in performing their duties to accomplish the Company's goal with ethics for business conduct and practice towards related stakeholders. To review AEON Code of Conduct, the Company with the cooperation from AEON Co., Ltd. (Japan) always provides training for management every year. In addition, the Company has distributed "Business Manner Handbook" to all new employees on orientation date for guiding and introducing the employees to know the basic of business manner of the Company. In addition, the Company also provides communication channel regarding AEON Code of Conduct through intranet system in order to facilitate staff and encourage them to follow practice in the Code of Conduct.

The Company has clear procedures to monitor transaction that may have conflict of interest. By doing this, all Directors, management, and employees strictly comply with laws and the rules, conditions and procedures specified by the Capital Market Supervisory Board and SET, particularly concerning connected transactions.

The Board of Directors has specified the risk management policy, covering the overall organization. Risk management section has been established to be responsible for risk management and reported to the Management on monthly basis. Moreover, the Company has Internal Audit section to evaluate the efficiency of the Company's internal control system which includes auditing, evaluating, recommending, and supporting the effectiveness improvement in risk management, control, and corporate governance.

In addition, the Company established Internal Control Office, aiming to develop internal control system throughout the Company. This is to comply with Japanese version of Sarbanes Oxley (J-SOX) Act enacted by Japanese Financial Service Agency (FSA) to be applied to all the listed companies in Japan. Their major missions are to set up the enterprise level internal control, analyzing and visualizing the major business processes, etc., in order to achieve reliability of financial reporting, effective operation and compliance with applicable laws. The Board of Directors' meeting approved the policies of Board of Directors, Appointment of Directors, and Audit Committee in order to comply with rules and regulations of SET, SEC, and related laws and also in line with J-SOX policy since 2008.

The Board of Directors' Meetings

To facilitate the Directors to allocate the time and attend the meeting, the Company has the Board of Directors' meeting schedule in advance. The meeting of the Board of Directors shall be held at least once every three (3) months. (Please see number of the meeting and number of attendance of each director in Management part) Related document will be sent to all member of the Board of Directors at least 7 days prior to the date of meeting. Especially, for the important agendas the relevant documents shall be submitted to directors prior to the meeting for an adequate time to consider. While the Board of Directors can invite any involved executive or personnel for inquiry during the meeting.

In each meeting, the Chairman lets each director express his opinion extensively and freely. Thus, each decision is made rationally and thoroughly. Also considering each meeting agenda item is made under the proper time.

The Board of Directors' Self Assessment

The Company has annual assessment for the Board of Directors in order to evaluate the performance of the Board of Directors by reviewing performance as well as obstacles facing each director and also defining the guidelines to improve and increase operational effectiveness of the Board.

Remuneration

The Company defines the remuneration by taking into consideration the appropriateness of remuneration for the Board of Directors and the Committee. Such remuneration is also considered and approved by the shareholders' meeting. (Please see the detail of remuneration in Management part)

Development for the Directors and Managements

Directors regularly upgrade themselves by attending in both domestic and overseas seminars and courses, and also meetings organized by the Institute of Directors of Thailand (IOD), SET, and SEC. When there is a new Director, the Company provides a Director an introduction of the Company's business and Directors' responsibilities, as well as acknowledgment of essential information for their tasks and duties in compliance with relevant SET's regulations.

The Company actively primes its management for internal rotation. As regards succession planning for Managing Director position, the major shareholder's policy prevails.

BOARD OF DIRECTORS PROFILE

MR. MASANORI KOSAKA

POSITION	Chairman of the Board
AGE (YEAR)	57
EDUCATION BACKGROUND	Bachelor of Laws, Kyoto Sangyo University, Japan
SHAREHOLDING (%) (20/02/14)	0.0400
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2002 - 2011	Managing Director AEON Credit Service (Asia) Co., Ltd. / Retail Finance
2011 - 2012	Director AEON Financial Service Co., Ltd. / Retail Finance**
2012 - 2013	President AEON Insurance Service Co., Ltd. / Insurance Broker
2011 - Present	Director AEON Micro Finance (Shenyang) Co., Ltd. / Microfinance
2013 - Present	Chairman of the board AEON Thana Sinsap (Thailand) Plc. / Retail Finance
2013 - Present	Director AEON Credit Service Co., Ltd. / Retail Finance****
2013 - Present	Managing Director AEON Financial Service (Hong Kong) Co., Ltd. / Holding Company
2013 - Present	Director, The Chairman of the Board, Member of the Audit Committee, Remuneration Committee and Nomination Committee, and the chairman of the Nomination Committee AEON Credit Service (Asia) Co., Ltd. / Retail Finance
2013 - Present	Director AEON Credit Service (Taiwan) Co., Ltd. / Hire - Purchase
2013 - Present	Director AEON Credit Service (M) Berhad / Retail Finance
2013 - Jun 2014	Director AEON Credit Service (Philippines) Inc. / Hire - Purchase

MR. YASUHIKO KONDO

POSITION	Vice Chairman of the Board and Managing Director
AGE (YEAR)	53
EDUCATION BACKGROUND	Bachelor Degree of Art in Psychology, Chukyo University, Japan
SHAREHOLDING (%) (20/02/14)	0.0400
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
1999 - 2011	Director AEON Financial Service Co., Ltd. / Retail Finance**
2011 - Present	Vice Chairman of the Board and Managing Director AEON Thana Sinsap (Thailand) Plc. / Retail Finance
2011 - Present	Chairman of the board ACS Capital Corporation Ltd. / Leasing
2011 - Present	Chairman of the board AEON Insurance Service (Thailand) Co., Ltd. / Insurance and Life Insurance Broker***
2011 - Present	Chairman of the board ACS Servicing (Thailand) Co., Ltd. / Collection Service
2012 - Present	Chairman AEON Thailand Foundation / Foundation
2012 - Present	Chairman of the board AEON Microfinance (Myanmar) Co., Ltd. / Microfinance
2013 - Present	Chairman of the board AEON Leasing Service (Lao) Co., Ltd. / Leasing
2013 - Present	Director AEON(Thailand) Co., Ltd. / Retailing
2013 - Present	Chairman of the board AEON Microfinance(Cambodia) Private Company Limited / Microfinance

MRS. SUPORN WATTANAVEKIN

POSITION	Director
AGE (YEAR)	50
EDUCATION BACKGROUND	Master Degree in Business Administration, National Institute of Development Administration Director Diploma Thai Institute of Directors Association
SHAREHOLDING (%) (20/02/14)	0.0800
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2000 - Present	Director AEON Thana Sinsap (Thailand) PLC / Retail Finance
2005 - Present	Director AEON Insurance Service (Thailand) Co., Ltd. / Insurance and Life Insurance Broker***
2007 - Present	Vice Chairman AEON Thailand Foundation / Foundation

MISS KANNIKA KURSIRIKUL

POSITION	Director
AGE (YEAR)	60
EDUCATION BACKGROUND	Bachelor Degree in Accounting, Director Thammasat University Directors Certificate, Thai Institute of Directors Association
SHAREHOLDING (%) (20/02/14)	0.0200
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2004 - Present	Director AEON Thana Sinsap (Thailand) PLC / Retail Finance
2005 - Present	Director ACS Capital Corporation Ltd. / Leasing

MRS. JIRAPORN KONGCHAROENWANICH

POSITION	Director
AGE (YEAR)	45
EDUCATION BACKGROUND	Master of Public and Private Management, National Institute of Development Administration Director Accreditation Program, Thai Institute of Directors Association
SHAREHOLDING (%) (20/02/14)	0.0005
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2004 - 2006	Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance
2006 - Present	Director AEON Thana Sinsap (Thailand) PLC / Retail Finance

MR. JUN SUZUKI

POSITION	Director
AGE (YEAR)	44
EDUCATION BACKGROUND	Bachelor of Faculty of Commerce Sapporo Gakuin University, Japan
SHAREHOLDING (%) (20/02/14)	-
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2005 - 2012	General Manager AEON Financial Service Co., Ltd. / Retail Finance**
Apr - Jun 2012	Senior Vice President AEON Thana Sinsap (Thailand) Plc. / Retail Finance
2012 - Present	Director AEON Thana Sinsap (Thailand) Plc. / Retail Finance
2012 - Present	Director ACS Capital Corporation Ltd. / Leasing
2012 - Present	Director AEON Credit Service (M) Berhad / Retail Finance
2012 - Present	Director AEON Credit Service Systems (Philippines) INC. /System Development
2012 - Present	Director AEON Credit Service India Private Limited / Retail Finance
2013 - Present	Director AEON Financial Service(Hong Kong)Co., Ltd. / Holding Company
2013 - Jun 2014	General Manager AEON Financial Service Co., Ltd. / Retail Finance**

MR. SHIRO ISHIDA

POSITION	Director
AGE (YEAR)	41
EDUCATION BACKGROUND	Bachelor of General Study Degree Edmonds Community College, U.S.A.
SHAREHOLDING (%) (20/02/14)	0.0050
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2004 - 2012	Branch Manager AEON Financial Service Co., Ltd. / Retail Finance**
Feb 2012 - Jun 2012	Senior Vice President AEON Thana Sinsap (Thailand) Plc. / Retail Finance
2012 - Jul 2013	Chairman of the board ACS Servicing (Thailand) Co., Ltd. / Collection Service
Jul - Oct 2013	Director ACS Servicing (Thailand) Co., Ltd. / Collection Service
Jun 2012 - Jun 2014	Director AEON Thana Sinsap (Thailand) Plc. / Retail Finance

MR. CHATCAVAL JIRAVANON

POSITION	Director
AGE (YEAR)	52
EDUCATION BACKGROUND	Bachelor of Science in Business Administration, University of Southern California, USA. Director Accreditation Program, Thai Institute of Directors Association
SHAREHOLDING (%) (20/02/14)	6.0000
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
1993 - Present	Director & Managing Director TRUE Corporation PLC / Telecommunication
2000 - Present	Director AEON Thana Sinsap (Thailand) PLC / Retail Finance
2000 - Present	President and CEO Telecom Holding Co., Ltd. / Holding Company
2002 - 2007	Director Syrus Securities PLC / Securities Business
2005 - 2010	Chairman NAVA Leasing PLC / Auto Finance
2007 - Present	Chairman and Chairman of the Executive Board Finansia Syrus Securities PLC / Securities Business
2007 - Present	Director AEON Thailand Foundation / Foundation

MR. NOPPUN MUANGKOTE

POSITION	Independent Director and Chairman of Audit Committee
AGE (YEAR)	66
EDUCATION BACKGROUND	Master Degree in Law New York University, USA. Director Accreditation Program Thai Institute of Directors Association
SHAREHOLDING (%) (20/02/14)	0.0520
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
1981 - Present	Chairman International Business Lawyers Co., Ltd. / Legal Advisor
1990 - Present	Director and Vice Chairman Sahakol Group of Companies/ Construction Contractor / Energy
1994 - Present	Director Aeon (Thailand) Co., Ltd. / Retail
2001 - Present	Independent Director and Chairman of Audit Committee AEON Thana Sinsap (Thailand) PLC / Retail Finance
2001 - Present	Independent Director and Audit Committee Amata Corporation PLC / Property Development
2005 - Present	Director AEON Holding (Thailand) Co., Ltd. / Holding
2007 - Present	Director AEON Thailand Foundation / Foundation
2005 - Present	Director PF Controls Group Co., Ltd. / Water Treatment
2007 - Present	Independent Director and Chairman of Audit Committee Charoensin Property Co., Ltd. / Property Development

MR. DEJ BULSUK

POSITION	Independent Director and Audit Committee Member
AGE (YEAR)	64
EDUCATION BACKGROUND	Bachelor in Faculty of Commerce and Accountancy Thammasat University Director Accreditation Program Thai Institute of Directors Association
SHAREHOLDING (%) (20/02/14)	0.0198
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2001 - Present	Independent Director and Audit Committee Member AEON Thana Sinsap (Thailand) PLC / Retail Finance
2002 - Present	Independent Director and Audit Committee Member JAY MART PLC / Mobile Phone
2004 - Present	Independent Director Siam Future Development PLC / Property
2002 - Present	Independent Director GMM Grammy PLC / Entertainment
2002 - 2009	Independent Director GMM Media PLC / Entertainment
2006 - 2009	Advisor to Board of Director President Bakery PLC / Bakery / Food
2007 - 2009	Director and Chairman of the Good Governance, Recruitment and Remuneration Committee Thailand Convention and Exhibition Bureau (TCEB) / Public Organization Office of the Prime Minister
2011 - Present	Audit Committee Member Siam Future Development PLC / Property
2011 - Present	Member of the Nomination and Remuneration Committee GMM Grammy PLC / Entertainment
2011 - Present	Independent Director Patum Rice Mill and Granary PLC / Agricultural Business

MR. SHUNICHI KOBAYASHI

POSITION	Independent Director and Audit Committee Member
AGE (YEAR)	71
EDUCATION BACKGROUND	Diploma in Language Kanda Foreign Language Institute, Japan Director Certificate Thai Institute of Directors Association
SHAREHOLDING (%) (20/02/14)	0.0400
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
1994 - Present	President International Administration (Thailand) Co., Ltd. / Accounting and Legal Consulting
2001 - Present	Independent Director and Audit Committee Member AEON Thana Sinsap (Thailand) PLC / Retail Finance

DR. SUCHARIT KOONTANAKULVONG

POSITION	Independent Director
AGE (YEAR)	58
EDUCATION BACKGROUND	Bachelor Degree in Chemical Engineering Master in Agricultural Engineering (Civil) Doctor in Agricultural Engineering (Civil) KYOTO University, Japan Director Certificate Thai Institute of Directors Association
SHAREHOLDING (%) (20/02/14)	-
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
1996 - Present	Associate Professor, Faculty of Engineering, Chulalongkorn University / University
2003 - 2007	Deputy Dean, Faculty of Engineering Chulalongkorn University / University
2009 - Present	Independent Director & Audit Committee Member Siam Steel Service Center PLC / Steel
2010 - Present	Independent Director AEON Thana Sinsap (Thailand) PLC / Retail Finance

MANAGEMENT PROFILE

MS. SUPANNEE ASAWASUWAN

POSITION	Senior Vice President (Company Secretary)
AGE (YEAR)	46
EDUCATION BACKGROUND	Master of Business Administration, Eastern Michigan University, USA
SHAREHOLDING (%) (20/02/14)	0.0011
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2005 - 2009	Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance
2009 - Present	Senior Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance

MR. TAWATCHAI PREECHAPAT

POSITION	Senior Vice President
AGE (YEAR)	44
EDUCATION BACKGROUND	Bachelor of Science (Applied Statistics), King Mongkut's Institute of Technology, Chaokhunthaharn Ladkrabang Campus
SHAREHOLDING (%) (20/02/14)	0.0004
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2004 - 2006	Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance
2006 - Present	Senior Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance

MS. SURIPORN THAMMAVATID

POSITION	Senior Vice President
AGE (YEAR)	45
EDUCATION BACKGROUND	Master of Management Srinakharinwirot University
SHAREHOLDING (%) (20/02/14)	-
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2004 - 2006	Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance
2006 - 2007	Senior Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance
2007 - Present	Director ACS Servicing (Thailand) Co., Ltd. / Collection Servicer
2010 - Present	Senior Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance

MR. NUNTAWAT CHOTVIJIT

POSITION	Senior Vice President
AGE (YEAR)	44
EDUCATION BACKGROUND	Master of Business Administration, Griffith University, Australia
SHAREHOLDING (%) (20/02/14)	-
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2003 - 2005	Assistant General Manager Thai Smart Card Co., Ltd. / E - Money
2005 - 2006	Assistant General Manager Payment Solution Co., Ltd. / E - Money
2006 - 2009	Vice President AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
2009 - 2010	Senior Vice President AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance
2010 - 2011	Marketing Director Focus Media Communication Co., Ltd./CCTV
2011 - present	Senior Vice President AEON Thana Sinsap (Thailand) Public Company Limited / Retail Finance

MRS. SUPATTRA RUGKHUMKAEW

POSITION	Senior Vice President
AGE (YEAR)	53
EDUCATION BACKGROUND	Bachelor of Business Management (Accounting) Payap University Mini MBA Chiang mai University
SHAREHOLDING (%) (20/02/14)	0.0008
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2006 - 2011	Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance
2011 - present	Senior Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance

MS. RYOKO YAOI

POSITION	Senior Vice President
AGE (YEAR)	39
EDUCATION BACKGROUND	Diploma / Department of Literature St.Agnes College, Japan
SHAREHOLDING (%) (20/02/14)	-
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2005 - 2009	Assistant Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance
2009 - 2012	Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance
2012 - Present	Senior Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance

MR. TSUYOSHI WADA

POSITION	Senior Vice President
AGE (YEAR)	36
EDUCATION BACKGROUND	Diploma / Faculty of Business Administration Ritsumeikan University, Japan
SHAREHOLDING (%) (20/02/14)	-
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2007 - 2012	Senior Manager AEON Financial Service Co., Ltd. / Retail Finance **
2012 - Present	Senior Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance

MR. MANAVUDHI MINGVANICH

POSITION	Senior Vice President
AGE (YEAR)	46
EDUCATION BACKGROUND	Bachelor Degree / Computer Science Ramkhamhaeng University
SHAREHOLDING (%) (20/02/14)	-
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2004 - 2010	Assistant Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance
2010 - 2013	Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance
2013 - Present	Senior Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance

MR. WITCHASORN SUWANNAKINDRA

POSITION	Senior Vice President
AGE (YEAR)	50
EDUCATION BACKGROUND	Master's Degree Public Administration University of New Haven, USA.
SHAREHOLDING (%) (20/02/14)	0.00008
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
2009 - 2011	Assistant Vice President Aeon Thana Sinsap (Thailand) Public Company Limited
2011 - 2013	Vice President Aeon Thana Sinsap (Thailand) Public Company Limited
2013 - Present	Senior Vice President Aeon Thana Sinsap (Thailand) Public Company Limited

MR. TAKANO IWAI

POSITION	Senior Vice President
AGE (YEAR)	60
EDUCATION BACKGROUND	Bachelor of Law Aoyama Gakuin University, Japan
SHAREHOLDING (%) (20/02/14)	-
WORKING EXPERIENCE FOR THE LAST 5 YEARS	
Mar 2007 - Jul 2010	Group Leader - Financial Department AEON Bank, Ltd. / Retail Banking
Aug 2010 - Oct 2013	Group Leader - Internal Audit Department AEON Bank, Ltd. / Retail Banking
Nov 2013 - Present	General Manager AEON Financial Service Co., Ltd. / Retail Finance **
Feb 2014 - Present	Senior Vice President AEON Thana Sinsap (Thailand) PLC / Retail Finance

Note : ** AEON Credit Service Co., Ltd. changed it's name to AEON Financial Service Co., Ltd. since 1st of April, 2013

*** ACS Insurance Broker (Thailand) Co., Ltd. and ACS Insurance Broker (Thailand) Co., Ltd. amalgamated and changed it's name to AEON Insurance Service (Thailand) Co., Ltd. since 1st of July, 2013.

**** AEON Credit Service Co., Ltd. Is established on 29th November, 2012 and became 100% subsidiary company of AEON Financial Service Co., Ltd. on 1st April, 2013.

RELATED PARTY TRANSACTION

During the fiscal year ended on February 20, 2014, the Company had related party transactions with persons with a possibility of conflict of interest, as follows:

PERSON WITH POSSIBILITY TO CAUSE CONFLICT	RELATIONSHIP	NATURE/ SIZE OF TRANSACTION	NECESSITY AND REASONABLENESS OF TRANSACTIONS
ACS Capital Corporation Ltd. ("ACS") Leasing Business	<ul style="list-style-type: none"> ■ A shareholder of AEONTS, holding 19.20% of shares ■ Three common directors: Mr. Yasuhiko Kondo Ms. Kannika Kursirikul Mr. Jun Suzuki 	<p>1. The Company provides management services to ACS with the fee charged as follows:</p> <ul style="list-style-type: none"> ■ Computer service fee at the rate of 1,000,000 baht per month ■ Marketing support fee at the rate of 200,000 baht per month <p>In FY2013, the Company had the revenue from this service in the amount of 14,594,404 baht. As of February 20, 2014, the Company had accounts receivable with ACS at the amount of 294,030 baht</p> <p>2. The Company also rented cars from ACS for the Company's management, branch managers and for its operating activities. In FY2013, the Company paid 26,389,198 baht for car rental. As of February 20, 2014, the Company had no payable of ACS.</p>	<p>The Company provides back office service such as computer system services and marketing. This is the normal business supporting transaction among the affiliated companies. The pricing policy is considered from cost of operation such as human resource cost, system developing cost, servicing time, promotion service through AEONTS networks as well as marketing research and based on the cost plus basis. (Approved by the Board of Director's meeting on February 14, 2013)</p> <p>The Company rents the Company's cars as the car allowance for management of the Company, branch manager in some areas and for its short-term operating activities from ACS, a subsidiary of the parent company (Aeon Financial Service Co., Ltd., Japan). Pricing policy is in accordance with normal car rental business condition and also following the approval process in compliance with the Company's regulation.</p>

PERSON WITH POSSIBILITY TO CAUSE CONFLICT	RELATIONSHIP	NATURE/ SIZE OF TRANSACTION	NECESSITY AND REASONABLENESS OF TRANSACTIONS
AEON Insurance Service (Thailand) Co., Ltd. (“ACS Insurance”) (The Company has been formed by the amalgamation of the Company’s subsidiaries, ACS Insurance Broker (Thailand) Co., Ltd and ACS Life Insurance Broker (Thailand) Co., Ltd. Since 1 st of July, 2013)	<ul style="list-style-type: none"> Subsidiary Two common directors Mr. Yasuhiko Kondo Mrs. Suporn Wattanavekin 	<p>1. The Company provides management services to AEON Insurance with the fee charged as follows:</p> <ul style="list-style-type: none"> The computer fee at the rate of 200,000 baht per month <p>The Company also had revenue from insurance collection fee. In FY2013, total income from AEON Insurance was 27,554,549.31 baht</p> <p>2. As at February 20, 2014, the Company had other accounts receivable with AEON Insurance at the amount of 415,743 baht and accounts payable of 106,984,953 baht, other liabilities of 8,702,594 baht.</p>	<p>The Company provides back office service for affiliated companies such as computer system services. This is the normal business supporting transaction among the affiliated companies. The pricing policy is considered from cost of operation such as human resource cost, system developing cost, servicing time and based on the cost plus basis.</p> <p>In addition, The Company has a management fee received from AEON Insurance in term of motorcycle insurance premium which the Company collects the insurance from motorcycle hire purchase customer. Pricing and fee is in the normal course of business and based on market price.</p>
ACS Servicing (Thailand) Co., Ltd. (“ACS Servicing”) Collection Servicer	<ul style="list-style-type: none"> Subsidiary Two common directors Mr. Yasuhiko Kondo Mrs. Jiraporn Kongcharoenwanich 	<p>1. The Company provides management services to ACS Servicing with the fee charged as follows:</p> <ul style="list-style-type: none"> The computer fee at the rate of 200,000 baht per month <p>In FY2013, total income from ACS Servicing was 3,044,580 baht. As at February 20, 2014, the Company had accounts receivable with ACS Servicing at the amount of 1,561,059 baht.</p>	<p>The Company provides back office service for affiliated companies such as computer system services. This is the normal business supporting transaction among the affiliated companies. The pricing policy is considered from cost of operation such as human resource cost, system developing cost, servicing time, promotion service through AEONTS networks, and etc and based on the cost plus basis.</p>

PERSON WITH POSSIBILITY TO CAUSE CONFLICT	RELATIONSHIP	NATURE/ SIZE OF TRANSACTION	NECESSITY AND REASONABLENESS OF TRANSACTIONS
		<p>2. In FY2013, ACS Servicing provides debt collection service to the Company with the collection service fee of 312,549,920 baht.</p> <p>As at February 20, 2014, the Company had accounts payable with ACS Servicing at the amount of 30,506,917 baht and short term borrowing of 50,000,000 baht.</p>	<p>ACS Servicing provides debt collection service to the Company. Collection service fee paid to ACS Servicing is based on general market price and in the normal course of business.</p> <p>ACS Servicing provided short term borrowing to the Company base on general market interest rate and normal course of business.</p>
AEON (Thailand) Co., Ltd. ("Aeon") Retail	<ul style="list-style-type: none"> ■ 8.50% of shares held by the Company ■ One common director Mr. Yasuhiko Kondo Mr. Noppun Muangkote 	<p>In FY2013, the Company had expenses paid to Aeon at the amount of 14,019,708 baht.</p> <p>As at February 20, 2014, the Company had accounts payable with Aeon at the amount of 32,100 baht.</p>	<p>The Company's Credit Card business through Aeon is considered as the Company's normal business operation.</p> <p>For Credit Card business, the commission fee that the Company charged from Aeon is nearly the same as the fee charged from other department stores.</p> <p>In addition, the Company rented space for ATM machine with AEON, which the rental fee is in the normal course of business and based on general market price.</p>
Aeon Financial Service Co., Ltd.* ("Aeon Financial Service") Retail Finance (Formerly AEON Credit Service Co., Ltd.)	<ul style="list-style-type: none"> ■ A major shareholder of AEONTS, holding 35.12% of shares 	<p>In FY2013, the Company paid technical assistant fee to AEON Financial Service Co., Ltd. at the amount of 57,741,438 baht.</p> <p>As at February 20, 2014, the Company had other receivable of 343,829 baht and other accounts payable of 57,798,539 baht.</p>	<p>Aeon Financial Service provides the technical assistant to the Company as Aeon Financial Service Co., Ltd. needs to support other Financial Service companies group under the same direction.</p> <p>Therefore, they provide management support, staff, technical and marketing strategies and computer system for cost efficiency. Aeon Financial Service (Japan) has charged the technical assistance fee for all oversea listed companies in AEON Financial Service Group.</p>

PERSON WITH POSSIBILITY TO CAUSE CONFLICT	RELATIONSHIP	NATURE/ SIZE OF TRANSACTION	NECESSITY AND REASONABLENESS OF TRANSACTIONS
			The technical assistance fee is paid to AEON Financial Service as stated in the agreement. However, the value of transaction is unable to declare with any market price, the value of transaction is then determined on time consume basis among the oversea listed companies in Aeon Financial Service Group and based on the cost plus basis. (Approved by the Board of Director's meeting on September 26, 2013)
Aeon Credit Service Systems (Philippines) Inc. ("Aeon Credit Technology") System Development	<ul style="list-style-type: none"> ■ 10.00% of shares held by the Company ■ One common director Mr. Jun Suzuki 	In FY2013, the Company service fee in developing system to Aeon Credit Technology including amortization cost of software at the amount of 10,591,696 baht.	The Company receives system development service from Aeon Credit Technology for the same standard among affiliated companies under Aeon Credit Service group. The service agreement to develop system between the Company and Aeon Credit Technology is also fair and comparable to the similar market price charged by other outsourcers which providing the same services. (Approved by the Board of Director's meeting on September 26, 2013)

Note : – Revenues relating to securitization transactions are determined by the Company and the related parties in accordance with securitization project (see Notes to Financial Statements No. 8.5 and 34)

* AEON Credit Service Co., Ltd. a major shareholder of AEON Thana Sinsap (Thailand) Plc. resolved the transition to a holding company and changed its name to AEON Financial Service Co., Ltd. on April 1, 2013. However, shareholding in AEONTS remain the same.

OPINION OF THE AUDIT COMMITTEE ON THE CONNECTED TRANSACTION

The audit committee has an opinion that these transactions are reasonable with the price and condition being fair as well as maximize the benefit to the Company. These are supporting normal business transactions in accordance to the business nature and practice and not intended to be beneficial to anyone or any group of person. Pricing and fee are able to declare with the market price (if any), otherwise to be determined by the Company and contracted parties based on cost plus basis.

MEASURES AND PROCEDURES FOR THE APPROVAL OF RELATED PARTIES TRANSACTIONS

The Company has a measure not allowing its management or persons who have direct or indirect interest to involve in the approval of the related transaction between the Company and persons with possibility to cause conflicts. The Company also arranges the audit committee to consider and provide the opinion on such related transactions.

POLICY AND TENDENCY OF RELATED PARTY TRANSACTIONS IN THE FUTURE

The Company has policy to continue to enter into the present related party transactions in the future. Such transactions include the lease of areas, loans, and credit card business with Aeon and Jay Mart, Management service to ACS Capital, AEON Insurance, and ACS Servicing, Technical assistant service provided by Aeon Financial Service, and System development service provided by Aeon Credit Technology. In doing such transactions, the Company will set forth conditions in accordance with general terms and conditions as well as the market value, the Company shall arrange the audit committee, auditor or independent specialist to examine and provide opinion about the reasonableness of the transactions and the fairness of the value.

The Board of Directors shall execute the related party transactions to be made in the future in compliance with the securities and exchange act, the regulations of the Stock Exchange of Thailand and the regulation regarding information disclosure of connected transaction and acquisition and disposition of the assets of the Company.

If the Company makes any transactions with persons with possibility of causing a conflict of interest in the future, the Company shall have the audit committee to provide an opinion on the reasonableness of the transactions. If the audit committee has no skill in considering the related party transaction, the Company shall then arrange the specialist, such as the auditor or appraiser or law firm, who is independent from the Company and the persons with possibility of causing a conflict of interest to provide an opinion on the related party transaction. The opinion of the audit committee or the specialist will be used by the Board of Directors or the shareholders, as the case may be, in making a decision upon the matter.

THE AUDIT COMMITTEE REPORT

TO SHAREHOLDERS OF AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED:

The Audit Committee consists of three independent directors, who possess all the required qualifications according to the Securities and Exchange Commission's regulations of Thailand. The Audit Committee completely performed the duties and responsibilities, as assigned by the Board of Directors, including the review of the financial statement, internal control system, internal auditing, risk management and compliance with applicable laws and regulation, which are defined in the Audit Committee's Charter and complied with the Securities and Exchange Commission's regulations and the Notification of the Stock Exchange of Thailand.

For the fiscal year ended February 20, 2014, Audit Committee held four meetings with the external auditor. All three audit committees attended in one meeting. Three meetings were attended by two audit committees. The meetings considered and discussed financial statements presentation as well as reliability, correctness, completeness and disclosure of the Company's quarterly financial statements, the annual financial statements and the consolidated financial statements as well as any changes to and new accounting standards also recommended the appropriated of external auditors and remuneration for the fiscal year ended February 20, 2015.

In addition, the meeting of Audit Committee had been held seven times in 2013. All three audit committees attended in five meetings. Two meeting was attended by two audit committees. The meeting considered and recommended the transactions with related parties which may result in a conflict of interest and their disclosure. Audit Committee also reviewed the Company's operation with regard to compliance with relevant regulations and other laws may relate to the Company's business. Moreover, the meetings considered and discussed financial statements presentation as well as reliability, correctness, completeness and disclosure of the Company's quarterly financial statements, the annual financial statements and the consolidated financial statements. Furthermore, the Audit committee considered and approved the annual Internal Audit department's planning also recommended the external auditor and remuneration to the Board of Director.

Audit Committee inferred that for fiscal year ended February 20, 2014, the Company has adequate and effective internal control system and corporate governance. The Company's financial statements and its consolidated financial statements and subsidiaries were correctly and completely presented and disclosed in accordance with the accounting standard according to external auditor's opinion also complied with relevant regulations and other laws may relate to the Company's business. Moreover, the Audit Committee considered the appointment of external auditors and their remuneration based on their business knowledge, audit fee and their independent status. For the fiscal year ended February 20, 2015, the audit committees selected and proposed Dr. Suphamit Techamontrikul, Certified Public Accountant Registration No. 3356, Mr. Permsak Wongpatcharakorn, Certified Public Accountant Registration No.3427 and Mr. Chavala Tienpasertkij, Certified Public Accountant Registration No.4301, to be the Company's external auditors to the Board of Directors for further getting approval from the Annual Shareholders Meeting 2014.



(MR. NOPPUN MUANGKOTE)
Chairman of the Audit Committee

ISSUER OF SECURITIES

Company Name	AEON Thana Sinsap (Thailand) Public Company Limited
Business	Credit Card, Personal Loan and Hire Purchase
Address	388 Exchange Tower, 27 th Floor, Sukhumvit Road Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110
Registration Number	0107544000078
Home Page	http://www.aeon.co.th
Tel.	0-2689-7197 (Call Center 0-2665-0123)
Fax.	0-2689-7007
Authorized share capital	Ordinary shares 250,000,000 baht
Issued and paid up share capital	Ordinary shares 250,000,000 baht
Par Value of share	1 baht

JURISTIC PERSON WHICH THE COMPANY HAS MORE THAN 10% OF OWNERSHIP

AEON Microfinance (Cambodia) Private Company Limited*** (100% of ownership)

Business	Microfinance business
Head Office	Moov Business Center No 320, Preah Monivong Blvd corner Street 252, Sangkat Chaktomuk, Khan Daun Penh, Phnom Penh, Cambodia
Tel.	85-5-23988701
Fax.	85-5-23988711
Authorized capital	USD 4,000,000
Paid up capital	USD 4,000,000
Par Value of share	USD 1

AEON Insurance Service (Thailand) Co., Ltd. *** (100% of ownership)

Business	Life and life Insurance brokerage services
Head Office	159/22 Sermit Tower Building, 14 th Floor, Sukhumvit 21 (Asok) Road, Klong Toey Nua, Watthana, Bangkok 10110
Tel.	0-2689-7111
Fax.	0-2689-7141
Authorized capital	Ordinary shares 100,000,000 baht
Paid up capital	Ordinary shares 100,000,000 baht
Par Value of share	10 baht

ACS Servicing (Thailand) Co.,Ltd. *** (100% of ownership)	
Business	Debt Collection services
Head Office	699 Modernform Tower Building, 12 th Floor, Si Nakharin Road, Khwaeng Suan Luang, Khet Suan Luang, Bangkok 10250
Tel.	0-2769-1700
Fax.	0-2722-8262
Authorized capital	Ordinary shares 148,000,000 baht
Paid up capital	Ordinary shares 148,000,000 baht
Par Value of share	10 baht
AEON Leasing Service (Lao) Company Limited **** (69% of ownership)	
Business	Leasing business
Head Office	Asean Road, Unit 16, Sibounheuang Village, Chanthabouly District, Vientiane Capital, Lao PDR
Tel.	856-21-261010
Fax.	856-21-261030
Authorized capital	LAK 8,000,000,000
Paid up capital	LAK 8,000,000,000
Par Value of share	LAK 10,000
AEON Microfinance (Myanmar) Company Limited *** (100% of ownership)	
Business	Microfinance business
Head Office	G1-18, Mezzanine Floor, Building (D), Pearl Condo, Kabaraye Pagoda Road Bahan Township, Yangon, Myanmar
Tel.	95-1-8604201-4
Fax.	95-1-430653
Authorized capital	MMK 2,859,600,000
Paid up capital	MMK 2,859,600,000
Par Value of share	MMK 1,000
Eternal 4 Special Purpose Vehicle Company Limited** (26% of ownership)	
Eternal 5 Special Purpose Vehicle Company Limited** (26% of ownership)	
Eternal 6 Special Purpose Vehicle Company Limited*** (26% of ownership)	
Business	Special purpose vehicles (SPV) under the Royal Enactment on Special Purpose Juristic Persons for Securitization
Head Office	388 Exchange Tower, 27th Floor, Sukhumvit Road Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110
Tel.	0-2689-7039
Authorized share capital	Ordinary shares 10,400 baht, Preferred share 29,600 baht
Issued and paid up share capital	Ordinary shares 10,400 baht, Preferred share 29,600 baht
Par Value of share	100 baht

ACS Trading Vietnam Co., Ltd. (20% of ownership)	
Business	Retail business by installment payment of household consumer durables
Head Office	2F, 456 Xo Viet Nghe Tinh, Ward 25, District Binh Thanh, Ho Chi Minh City, Vietnam
Tel.	84-8-54453800
Fax.	84-8-54453801
Authorized capital	VND 50 Billion
Paid up capital	VND 50 Billion
AEON Credit Service Systems (Philippines) Inc. (10% of ownership)	
Business	Information Technology
Head Office	Unit 802, 8 th Floor, Philiplans Corporate Center 1012 Triangle Drive corner 10 th and 11 th Avenue Bonifacio Global City 1634, Taguig Philippines
Tel.	63-2-755-2277
Fax.	63-2-755-2276
Authorized share capital	Ordinary shares PHP 100,000,000 (Philippines Peso)
Issued and paid up share capital	Ordinary shares PHP 100,000,000 (Philippines Peso)
Par Value of share	PHP 100 (Philippines Peso)

** In the process of dissolution

*** The Company's subsidiaries

**** The Company holds shares indirectly through ACS Servicing (Thailand) Company Limited and AEON Insurance Service (Thailand) Company Limited with 13% and 13% shareholding, respectively.

REFERENCE	
Securities Registrar	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 62 Ratchadapisek Road, Klongtoey Bangkok 10110, Thailand Tel. 0-2229-2800 Fax. 0-2359-1259
Auditor	Deloitte Touche Tohmatsu Jaiyos Audit Company Limited Rajanakarn Building, 25 th Floor, 183 South Sathon Road, Yannawa, Sathon, Bangkok 10120 Tel. 0-2676-5700 Fax. 0-2676-5757-8

BRANCH NETWORK

ภาค / สาขา REGION / BRANCH	ที่อยู่ ADDRESS	โทรศัพท์ TELEPHONE NO.	โทรสาร FAX NO.
18 เทสโก้ โลตัส นวนคร Tesco Lotus Navanakorn	98/103 หมู่ 13 ต.คลองหนึ่ง อ.คลองหลวง จ.ปทุมธานี	02-520-4970-1	02-520-4972
19 แม็กซ์แวลู บางใหญ่ MaxValu Bangyai	87 หมู่ 8 ต.เสาธงหิน อ.บางใหญ่ จ.นนทบุรี 11140	02-926-3072	02-926-3072
20 เทสโก้ โลตัส บางนา Tesco Lotus Bangna	14/9 หมู่ 13 ถ.บางนา-ตราด กม.7 ต.บางแก้ว อ.บางพลี สมุทรปราการ 10540	02- 313-3196	02- 739-9167
21 เซ็นทรัลพระราม2 Central Rama II	128 หมู่ที่ 6 ห้อง 329 ชั้น 3 ศูนย์การค้าเซ็นทรัล พลาซ่า พระราม 2 ถ.พระรามที่ 2, แสมดำ, บางขุนเทียน กรุงเทพฯ 10150	02-872-4486	02-872-4487
22 บิ๊กซี สมุทรปราการ Big C Samutprakan	บิ๊กซี สมุทรปราการ ชั้น3 498/1 ถ.สุขุมวิท ต.ปากน้ำ อ.เมือง สมุทรปราการ 10270	02-702-4488-9	02-702-4487
23 ซีคอนสแควร์ Secon Square	55 อาคารซีคอนสแควร์ ห้อง 3063 ซี ด.ศรีนครินทร์ แขวงหนองบอน เขตประเวศ กรุงเทพฯ 10250	02- 320-2950-2	02-721-8379
24 อิมพีเรียล สำโรง Imperial Samrong	999 หมู่ 1 อิมพีเรียล สำโรง ชั้น 2 ห้อง S2FIS-49 ถ.สุขุมวิท ต.สำโรงเหนือ อ.เมือง จ.สมุทรปราการ 10270	02-756-8726-7	02-756-8728
25 เทสโก้ โลตัส พระราม 1 Tesco Lotus Rama I	831 โลตัส พระราม 1 ชั้น 3 ถ.พระราม 1 แขวงวังใหม่ เขตปทุมวัน กรุงเทพฯ 10330	02-612-3405-6	02-219-1936
26 บิ๊กซี ราชดำริ Big C Ratchadamri	97/11 ถ.ราชดำริ แขวงลุมพินี เขตปทุมวัน กรุงเทพฯ 10330	02-655-0365-6	02-655-0368
27 เทสโก้ โลตัส ปิ่นเกล้า Tesso Lotus Pinklao	เทสโก้ โลตัส ปิ่นเกล้า เลขที่ 3 ถ.บรมราชชนนี แขวงอรุณอมรินทร์ เขตบางกอกน้อย กรุงเทพฯ	02-884-8472 02-884-8767	02-884-8473
28 เทสโก้ โลตัส บางพลี Tesco Lotus Bangphli	99/27 เทสโก้ โลตัส บางพลี กม.12 ชั้น 1 หมู่ 1 ต.ราชาเทวะ อ.บางพลี จ.สมุทรปราการ 10540	02-751-0594	02-751-0580
29 เดอะมอลล์ บางแค The Mall Bangkhae	2S-L19 ชั้น 2 275 หมู่ 1 ถ.เพชรเกษม แขวงบางแคเหนือ เขตบางแค กรุงเทพฯ 10160	02-454-8177	02-454-7150
30 แม็กซ์แวลู พัฒนาการ MaxValu Phatthanakan	2559 ถ.พัฒนาการ เขตสวนหลวง แขวงสวนหลวง กรุงเทพฯ 10250	02-722-1855	02-722-1854
31 เกทเวย์ เอกมัย Gateway Ekkamai	982/22 ถ.สุขุมวิท พระโขนง คลองเตย กรุงเทพฯ 10110	02-108-2643-4	02-108-2645
32 แม็กซ์แวลู ตลาดพร้าว วังหิน MaxValu Latphrao Wanghin	604 ถ.ลาดพร้าว แขวงลาดพร้าว เขตลาดพร้าว กรุงเทพฯ 10230	02-538-2115	02-538-2321
33 เมกะ บางนา Mega Bangna	39 เมกะ บางนา ชั้น 1 หมู่ 6 ถ.บางนา-ตราด กม.8 ต.บางแก้ว อ.บางพลี จ.สมุทรปราการ 10540	02-186-8740-41	02-186-8742
34 สิลม คอมเพล็กซ์ Silom Complex	191 ศูนย์การค้าซิลม คอมเพล็กซ์ ห้อง 429 ชั้น 4 ถ.สีลม แขวงสีลม เขตบางรัก กรุงเทพฯ 10500	02-266-2681- 3	02-266-2684
35 ซีคอน บางแค Seacon Bangkhae	607 ศูนย์การค้าซีคอน บางแค ชั้น 3 ถ.เพชรเกษม แขวงบางหว้า เขตภาษีเจริญ กรุงเทพฯ 10160	02-458-2951-2	02-458-2953
36 แม็กซ์แวลู ราชพฤกษ์ MaxValu Ratchaphruek	62/27 แม็กซ์แวลู ราชพฤกษ์ ชั้น 1 หมู่ 1 ต.อ้อมเกร็ด อ.ปากเกร็ด จ.นนทบุรี 11120	02-115-3017-8	02-115-3018
37 แม็กซ์แวลู สุขุมวิท 71 MaxValu Sukhumvit 71	140 แม็กซ์แวลู สุขุมวิท 71 ชั้น 1 ถ.สุขุมวิท 71 แขวงพระโขนงเหนือ เขตวัฒนา กรุงเทพฯ 10110	02-711-0700	02-711-0491
38 เซ็นทรัล เวิลด์ Central World	4, 4/1-2, 4/4 เซ็นทรัล เวิลด์ ห้อง บี 402 ชั้น 4 ถ.ราชดำริห์ แขวงปทุมวัน เขตปทุมวัน กรุงเทพฯ 10330	02-646-1955-8	02-658-6553
39 แม็กซ์แวลู หลักสี่ MaxValu Laksi	78 แม็กซ์แวลู หลักสี่ ชั้น 1 ถ.แจ้งวัฒนะ แขวงอนุสาวรีย์ เขตบางชน กรุงเทพฯ 10220	02-970-0125-6	02-970-0130

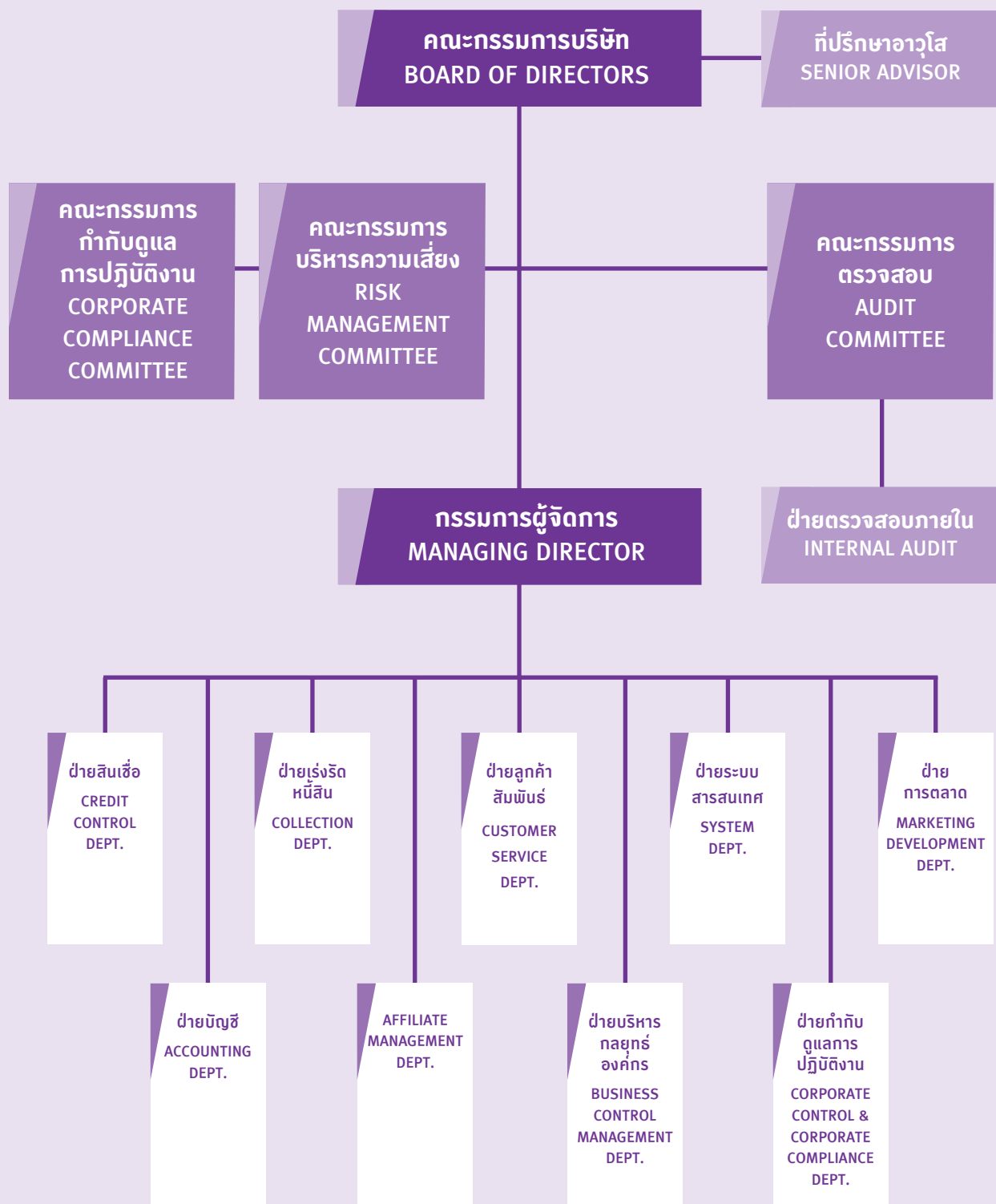
ภาค / สาขา REGION / BRANCH	ที่อยู่ ADDRESS	โทรศัพท์ TELEPHONE NO.	โทรสาร FAX NO.
59 เทสโก้ โลตัส ลพบุรี Tesco Lotus Lopburi	โลตัส ลพบุรี ชั้น 2 เลขที่ 111 หมู่ 3 ถ.พหลโยธิน ต.ท่าศาลา อ.เมือง จ.ลพบุรี 15000	(036) 634-123	(036) 634-191
60 แหลมทอง ระยอง Laemtong Rayong	แหลมทองชอปปิงพลาซ่า ระยอง 554 ถ.สุขุมวิท ต.เนินพระ อ.เมืองระยอง จ.ระยอง 21000	(038) 023-435-7	(038) 023-438
61 แปซิฟิก พาร์ค ชลบุรี Pacific Park Chonburi	อาคาร Pacific Park เลขที่ 90 ห้อง 224 ชั้น 2 ถ.สุขุมวิท กม. 118 ต.ศรีราชา อ.ศรีราชา จ.ชลบุรี 20110	(038) 324-260-1	(038)327-470
62 เทสโก้ โลตัส พัทยาเหนือ Tesco Lotus Pattaya Nua	221/19 หมู่ 5 ถ.พญาเหินอ ต.นาเกลือ อ.บางละมุง จ.ชลบุรี 20150	(038) 370-960-1	(038) 411-187
63 เทสโก้ โลตัส อมตะนคร Tesco Lotus Amata Nakorn	เทสโก้ โลตัส อมตะนคร ที่อยู่ 700/75 หมู่ 5 ต.คลองตำหรุ อ.เมืองชลบุรี จ.ชลบุรี 20000	(038) 744-164 -5	(038) 744-167
64 บิ๊กซี เอ็กซ์ตรา ชลบุรี Big C Extra Chonburi	15/17 หมู่ 3 ต.ห้วยกะปิ อ.เมืองชลบุรี จ.ชลบุรี 20000	(038) 785-134	(038) 785-135
65 เทสโก้ โลตัส จันทบุรี Tesco Lotus Chanthaburi	25/4 ถ.พระยาตรัง ต.วัดใหม่ อ.เมือง จ.จันทบุรี 22000	(039) 303-389	(039) 351-325
66 ฉะเชิงเทรา Chachoengsao	โครงการเอสเอฟ เมเจอร์เซ็นทรัลฉะเชิงเทรา 9/2 ห้อง 9 และ 10 ถ.ฉะเชิงเทรา-บางปะกง ต.หน้าเมือง อ.เมือง จ.ฉะเชิงเทรา	(038) 535-348 (038) 535-178	(038) 535-178
67 เทสโก้ โลตัส สัตหีบ Tesco Lotus Sattahip	โลตัส สัตหีบ ชั้น 2 179 หมู่ 2 ถ.สุขุมวิท สัตหีบ จ.ชลบุรี 20180	(038) 739-450-1	(038) 739-452
68 บิ๊กซี จันทบุรี Big C Chanthaburi	เลขที่ 1912 ชั้น 2 ห้อง 2 ซอย 201 ถ.ท่าแฉลบ ต.ตลาด อ.เมืองจันทบุรี จ.จันทบุรี	(039) 436-512-3	(039) 436-514
69 อยูธยา แกรนด์ Ayutthaya Grand	51/287-290 หมู่ 1 ถ.โรจนะ ต.ธนู อ.อุทัย จ.พระนครศรีอยุธยา 13000	(035) 714-123	(035) 714-191
70 อยูธยา พาร์ค Ayutthaya Park	126 ชั้น 2 ห้อง 1-46 หมู่ 3 ถ.สายเอเชีย ต.คลองสวนพลู อ.พระนครศรีอยุธยา จ.พระนครศรีอยุธยา 13000	(035) 801-209-10	(035) 801-214
71 โฮมโปร นครปฐม HomePro Nakhonpathom	โฮมโปร นครปฐม เลขที่ 752/3 ห้อง RTC4-5 ชั้น 1 ถ.เพชรเกษม ต.ห้วยจรเข้ม อ.เมืองนครปฐม จ.นครปฐม 73000	(034) 362-123 (034) 362-190	(034) 362-191-2
72 เทสโก้ โลตัส ราชบุรี Tesco Lotus Ratchaburi	8/4 ถ.คทาธร ต.หน้าเมือง อ.เมือง จ.ราชบุรี 70000	(032) 350-372-3	(032) 338-919
73 สมุทรสาคร Samutsakorn	322/90 ถ.เอกชัย ต.มหาชัย อ.เมือง จ.สมุทรสาคร 74000	(034) 828-123	(034) 828-191-2
74 เพชรบุรี Phetchaburi	43/19 หมู่ 5 ถ.เพชรเกษม ต.บ้านหม้อ อ.เมือง จ.เพชรบุรี 76000	(032) 445-123	(032) 445-191-2
75 เทสโก้ โลตัส สุพรรณบุรี Tesco Lotus Suphanburi	293 เทสโก้ โลตัส สุพรรณบุรี ชั้น 1 หมู่ 5 ถ.สุพรรณบุรี-ชัยนาท ต.ท่าระหัด อ.เมืองสุพรรณบุรี จ.สุพรรณบุรี 72000	(035) 401-123	(035) 401-191
76 มาร์เก็ต วิลเลจ หัวหิน Maket Village Huahin	ห้างสรรพสินค้า หัวหิน มาร์เก็ต วิลเลจ ห้อง เอ 302 ชั้น 3 234/1 ถ.เพชรเกษม ต.หัวหิน อ.หัวหิน จ.ประจวบคีรีขันธ์	(032) 526-213-4	(032) 526-215
77 โรบินสัน กาญจนบุรี Robinson Kanchanaburi	110 โรบินสัน กาญจนบุรี ห้อง 2F-B-221 ชั้น 2 หมู่ 9 ต.ปากแพรก อ.เมือง จ.กาญจนบุรี 71000	(034) 603-370-1	(034) 603-369
78 บิ๊กซี สมุทรสงคราม Big C Samutsongkhram	2/19 บิ๊กซี สมุทรสงคราม ห้อง จีซีอาร์ 103 ชั้น 1 หมู่ 1 ต.บางแก้ว อ.เมืองสมุทรสงคราม จ.สมุทรสงคราม 75000	(034) 724-201-2	(034) 724-200
79 อาคารทีเอสเค ปาร์ค ระยอง (สำนักงานสาขาภูมิภาค) TSK Park Rayong (Regional Office)	351-351/1 อาคารทีเอสเค ปาร์ค ล็อกที่ B6, B7 และ B8 ถ.สุขุมวิท ต.เนินพระ อ.เมือง จ.ระยอง 21000	(038) 863-123	(038) 863-191

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98 เซ็นทรัลพลาซ่า อุบลราชธานี CentralPlaza Ubonratchathani	311 เซ็นทรัลพลาซ่า อุบลราชธานี ห้อง 331 ชั้น 3 หมู่ 7 ต.แจระแม อ.เมือง จ.อุบลราชธานี 34000	(045) 209-332-3	(045) 209-334
99 เทสโก้ โลตัส เอ็กซ์ตรา Tesco Lotus Extra Khonkaen	709 เทสโก้ โลตัส เอ็กซ์ตรา ขอนแก่น ชั้น 1 หมู่ 3 ต.ศิลา อ.เมืองขอนแก่น จ.ขอนแก่น 40000	(043) 364-134-5	(043) 364-136
100 โรบินสัน สกลนคร Robinson Sakonnakhon	88/8 โรบินสัน สกลนคร ห้อง 201-3 ชั้น 2 ถ.นิตโย ต.ธาตุเชิงชุม อ.เมืองสกลนคร จ.สกลนคร 47000	(042) 730-922-23	(042) 730-930

ภาคใต้ / SOUTHERN

101 หาดใหญ่ Hatyai	เลขที่ 200 อาคารจุลดิสดหาดใหญ่ พลาซ่า ห้อง 102, 104, 106, 108, 114, 116 ถ.นิพัทธ์อุทิศ 3 ต.หาดใหญ่ อ.หาดใหญ่ จ.สงขลา 90110	(074) 271-000	(074) 355-297-9
102 บิ๊กซี เอ็กซ์ตรา หาดใหญ่ Big C Extra Hatyai	เลขที่ 677 บิ๊กซี เอ็กซ์ตรา หาดใหญ่ ถ.เพชรเกษม ต.หาดใหญ่ อ.หาดใหญ่ จ.สงขลา 90110	(074) 469-181-2	(074) 469-183
103 เทสโก้ โลตัส สุราษฎร์ธานี Tesco Lotus Suratthani	โลตัส สุราษฎร์ธานี 9/1 หมู่ 3 ถ.เลี้ยวเมือง ต.มะขามเตี้ย อ.เมือง จ.สุราษฎร์ธานี 84000	(077) 220-144-5	(077) 220-147-8
104 นครศรีธรรมราช Nakhonsithammarat	89/10-11 ถ.พัฒนาการคูขวาง ต.คลัง อ.เมือง จ.นครศรีธรรมราช 80000	(075) 304-000	(075) 304-081-3
105 เซ็นทรัลเฟสติวัล ภูเก็ต CentralFestival Phuket	เลขที่ 74-75 หมู่ที่ 5 ศูนย์การค้าเซ็นทรัล เฟสติวัล ภูเก็ต ชั้น 2 ห้อง TC-024 ต.วิชิต อ.เมือง จ.ภูเก็ต 83000	(076) 209-160-2	(076) 249-850
106 โรบินสัน ตรัง Robinson Trang	138 โรบินสัน ตรัง ห้อง 2เอฟ-บี-207 ชั้น 2 ถ.พัทลุง ต.ทับเที่ยง อ.เมือง จ.ตรัง 92000	(075) 205-000 (075) 223-249	(075) 219-141
107 ชุมพร Chumphon	113/7 ถ.กรมหลวงชุมพร ต.ท่าตะเภา อ.เมือง จ.ชุมพร 86000	(077) 529-000	(077) 507-608 (077) 507-600
108 เทสโก้ โลตัส สมุย Tesco Lotus Samui	1/7 หมู่ 6 ต.บ่อผุด อ.เกาะสมุย จ.สุราษฎร์ธานี	(077) 245-303 (077) 245-307	(077) 245-310
109 เทสโก้ โลตัส กระบี่ Tesco Lotus Krabi	191 หมู่ที่ 12 ต.กระบี่น้อย อ.เมืองกระบี่ จ.กระบี่ 81000	(075) 626-000	(075) 626-091
110 เซ็นทรัลพลาซ่า สุราษฎร์ธานี CentralPlaza Suratthani	88 เซ็นทรัล พลาซ่า สุราษฎร์ธานี ห้อง 307 ชั้น 3 ต.วัดประดู่ อ.เมือง จ.สุราษฎร์ธานี 84000	(077) 489-736-8	(077) 489-736
111 บิ๊กซี สตูล Big C Satun	959 บิ๊กซี ซูเปอร์ เซ็นเตอร์ สตูล ต.คลองขุด อ.เมืองสตูล จ.สตูล 91000	(074) 733-123	(074) 733-191
112 บิ๊กซี หาดใหญ่ (คลองแห) Big C Hatyai (Klonghae)	111/19 บิ๊กซี หาดใหญ่ (คลองแห) ห้อง 2 ซิอาร์ 252 หมู่ 4 ต.คลองแห อ.หาดใหญ่ จ.สงขลา 90110	(074) 427-586-7	(074) 427-589
113 จังซีลอน ภูเก็ต Jungceylon Phuket	175, 177, 181, 193, 195, 197 และ 201 ห้อง 1008, 1010, 1012 ศูนย์การค้าจังซีลอน ภูเก็ต ชั้น บี ถ.ราษฎร์อุทิศ 200 ปี ต.ป่าตอง อ.กะทู้ จ.ภูเก็ต 83120	(076) 362-000	(076) 362-091
114 อาคารพีซี ทาวเวอร์ สุราษฎร์ธานี (สำนักงานสาขาภูมิภาค) P.C.Tower Suratthani (Regional Office)	91/1 อาคารพี.ซี.ทาวเวอร์ ห้อง 403 ชั้น 4 ถ.กาญจนวนิชย์ ต.บางกุ้ง อ.เมืองสุราษฎร์ธานี จ.สุราษฎร์ธานี 84000	(077) 277-001	(077) 264-389 (077) 205-833
115 เทสโก้ โลตัส เอ็กซ์ตรา สงขลา Tesco Lotus Extra Songkhla	64 เทสโก้ โลตัส เอ็กซ์ตรา สงขลา ชั้น 1 หมู่ 2 ต.เขารูปช้าง อ.เมืองสงขลา จ.สงขลา 90000	(074) 352-736-7	(074) 352-738
116 เซ็นทรัลเฟสติวัล หาดใหญ่ Centralfestival Hatyai	1518, 1518/1 และ 1518/2 เซ็นทรัล เฟสติวัล หาดใหญ่ ห้อง 333 ชั้น 3 ถ.กาญจนวนิชย์ ต.หาดใหญ่ อ.หาดใหญ่ จ.สงขลา 90110	(074) 339-670-2	(074) 339-673

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- MAXVALU NAGANO CO., LTD.
- MAXVALU HOKURIKU CO., LTD.
- MAXVALU MINAMI TOHOKU CO., LTD.
- marunaka CO., LTD.
- * The Maruetsu, Inc.
- * Inageya Co., Ltd.
- * KASUMI CO., LTD.
- * Belc CO., LTD.
- Aeon Every Co., Ltd.

DISCOUNT STORE (DS) BUSINESS

- AEON SUPERCENTER Co., Ltd.
- AEON BIG CO., LTD.

STRATEGIC SMALL SIZE STORE BUSINESS

- * MINISTOP CO., LTD.
- ORIGIN TOSHU CO., LTD.
- My Basket CO., LTD.
- RECODS. Co., Ltd.

DRUGSTORE & PHARMACY BUSINESS

- * CFS Corporation
- SHIMIZU YAKUHIHIN CO., LTD.
- TAKIYA Co., Ltd.
- * WELCIA HOLDINGS CO.,LTD.
- * Medical Ikkou Co., Ltd.
- Welpark Co., Ltd.
- ZAG ZAG Co., Ltd.
- TSURUHA HOLDINGS Inc.
- KUSURI NO AOKI CO., LTD.

FINANCIAL SERVICES BUSINESS

- * AEON Financial Service Co.,Ltd.
- * AEON CREDIT SERVICE (ASIA) CO., LTD.
- * AEON THANA SINSAP (THAILAND) PLC.
- * AEON CREDIT SERVICE (M) BERHAD
- AEON BANK, LTD.
- AEON CREDIT SERVICE CO., LTD.
- AEON HOUSING LOAN SERVICE CO., LTD.
- AEON INSURANCE SERVICE CO., LTD.
- Aeon Reit Management Co., Ltd.

SHOPPING CENTER DEVELOPMENT BUSINESS

- * AEON Mall Co., Ltd.
- AEON TOWN Co., Ltd.

SERVICE BUSINESS

- * AEON DELIGHT CO., LTD.
- * AEON Fantasy Co., Ltd.
- * ZWEI CO., LTD.
- AEON Eaheart Co., LTD.
- AEON COMPASS CO., LTD.
- AEON CINEMAS CO., LTD.
- KAJITAKU Co., Ltd.
- Reform Studio Co., Ltd.
- Warner Mycal Corporation

SPECIALTY STORE BUSINESS

- * GFOOT CO., LTD.
- * COX CO., LTD.
- Abilities JUSCO CO., Ltd.
- AEON FOREST CO., LTD.
- AEON PET CO., LTD.
- AEON BODY Co., Ltd.
- Claire's Nippon Co., Ltd.
- Cosmeme CO.,LTD.
- Talbots Japan Co., Ltd.
- Branshes Co., Ltd
- MIRAIYA SHOTEN CO., LTD.

- Mega Sports Co., Ltd.
- MEGA PETRO Co., Ltd.
- LAURA ASHLEY JAPAN CO., LTD.
- AT Japan Co., Ltd.
- * Taka: Q Co., Ltd.
- E-commerce Business
- Aeon Direct CO.,LTD.
- Aeon Link Co., Ltd.

ASEAN BUSINESS

- AEON ASIA SDN.BHD.
- * AEON Co., (M) Bhd.
- AEON BIG(M) SDN.BHD.
- AEON (CAMBODIA) Co., Ltd.
- AEON (Thailand) CO., LTD.
- AEON VIETNAM CO., LTD
- PT.AEON INDONESIA

CHINA BUSINESS

- AEON (CHINA) CO., LTD.
- * AEON Stores (Hong Kong) Co., Ltd.
- AEON South China Co., Ltd.
- Beijing AEON Co., Ltd.
- Guangdong AEON Teem Co., Ltd.
- Qingdao AEON Dongtai Co., Ltd.

SHARED FUNCTION COMPANIES

- Aeon Integrated Business Service Co., Ltd.
- AEON AGRI CREATE Co., Ltd.
- AEON GLOBAL SCM CO., LTD.
- AEON GLOBAL MERCHANDISING CO., LTD.
- AEON TOPVALU CO., LTD.
- AEON FOOD SUPPLY Co., Ltd.
- AEON MARKETING CO., LTD.
- Cordon Vert CO., LTD.
- Research Institute For Quality Living Co., Ltd.
- Tasmania Feedlot Pty. Ltd.
- * YAMAYA CORPORATION
- Aeon Demonstration Service Inc.

* Listed companies

ผู้ลงทุนสามารถศึกษาข้อมูลของบริษัทที่ออกหลักทรัพย์เพิ่มเติมได้จากแบบแสดงรายการข้อมูลประจำปี (แบบ 56-1) ของบริษัท ที่แสดงไว้ใน www.set.or.th หรือ บนเว็บไซต์ของบริษัท อีออน ธนสินทรัพย์ (ไทยแลนด์) จำกัด (มหาชน) www.aeon.co.th

Investor may additionally obtain the information of the issuing company from its annual filing (Form 56-1) showing in www.set.or.th or in the website of AEON Thana Sinsap (Thailand) Public Company Limited www.aeon.co.th



Planting Seeds of Growth

We are AEON



AEON Thana Sinsap (Thailand) Public Company Limited





ANNUAL REPORT 2013/2014

(Fiscal year ended February 20, 2014)



AEON Thana Sinsap (Thailand) Public Company Limited

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED

We have audited the consolidated financial statements of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and the separate financial statements of AEON Thana Sinsap (Thailand) Public Company Limited, which comprise the consolidated and separate statements of financial position as at February 20, 2014 and the related consolidated and separate statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte Touche Tohmatsu Jaiyos Audit

ดีลอยท์ ทูเช่ โทมัทสึ ไชยอส สอบบัญชี

Opinion

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of AEON Thana Sinsap (Thailand) Public Company Limited and its subsidiaries and of AEON Thana Sinsap (Thailand) Public Company Limited as at February 20, 2014, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



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

BANGKOK
April 17, 2014

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT FEBRUARY 20, 2014

BAHT '000

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6.1	2,434,732	2,186,552	1,801,656	1,519,043
Temporary investments	7	-	1,550,000	-	-
Accounts receivable and other receivables					
Accounts receivable	8	51,910,846	42,890,413	51,245,716	42,332,251
Other receivables	9	326,053	242,132	432,810	297,204
Seller loan in Special Purpose Vehicle for Securitization due within one year	12	-	-	-	2,650,878
Subordinated lendings due within one year	13	-	1,438,000	-	1,438,000
Receivables per currency swap contracts	22	561,066	50,096	561,066	50,096
Other current assets		40,118	54,178	38,047	38,225
Total Current Assets		<u>55,272,815</u>	<u>48,411,371</u>	<u>54,079,295</u>	<u>48,325,697</u>
NON-CURRENT ASSETS					
Accounts receivable	8	1,105,964	883,599	931,002	852,841
Fixed deposits at banks under obligations	10	13,416	3,366	-	-
Investments in subsidiaries	11.1	-	-	542,372	385,707
Other long-term investments					
Related companies	11.2	43,536	43,536	43,536	43,536
Other company	11.3	-	10	-	10
Seller loan in Special Purpose Vehicle for Securitization	12	-	-	466,490	-
Subordinated lendings	13	1,399,352	-	1,399,352	-
Leasehold improvement and equipment	14	716,926	534,209	617,897	475,355
Intangible assets	15	620,158	707,718	553,681	629,666
Receivables per currency swap contracts	22 and 23	949,752	16,849	949,752	16,849
Deferred tax assets	16	354,675	297,904	337,679	278,522
Other non-current assets	17	159,989	114,692	150,196	107,794
Total Non-Current Assets		<u>5,363,768</u>	<u>2,601,883</u>	<u>5,991,957</u>	<u>2,790,280</u>
TOTAL ASSETS		<u><u>60,636,583</u></u>	<u><u>51,013,254</u></u>	<u><u>60,071,252</u></u>	<u><u>51,115,977</u></u>

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT FEBRUARY 20, 2014

BAHT '000

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	18	1,632,245	3,401,172	1,310,000	3,335,000
Short-term loan from a related company	19	-	-	50,000	-
Accounts payable and other payables					
Accounts payable		576,676	575,601	431,000	476,066
Other payables	20	1,261,260	1,035,580	1,371,949	1,424,438
Current portion of :					
Liabilities under finance lease agreements	21	1,305	14,775	-	-
Long-term loans	22	10,309,600	10,234,408	10,309,600	10,234,408
Accrued income tax		372,023	167,900	288,846	107,020
Payables per currency swap contracts	22	333,201	529,536	333,201	529,536
Other current liabilities		55,429	116,648	31,356	108,821
Total Current Liabilities		<u>14,541,739</u>	<u>16,075,620</u>	<u>14,125,952</u>	<u>16,215,289</u>
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreements	21	-	1,305	-	-
Long-term loans	22	31,404,513	23,256,317	31,404,513	23,256,317
Long-term debentures	23	4,909,679	3,086,843	4,909,679	3,086,843
Payables per currency swap contracts	22 and 23	802,168	1,287,773	802,168	1,287,773
Employee benefit obligations	24	58,953	44,659	53,549	40,578
Other non-current liabilities		12,082	2,700	7,297	-
Total Non-Current Liabilities		<u>37,187,395</u>	<u>27,679,597</u>	<u>37,177,206</u>	<u>27,671,511</u>
TOTAL LIABILITIES		<u>51,729,134</u>	<u>43,755,217</u>	<u>51,303,158</u>	<u>43,886,800</u>

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT FEBRUARY 20, 2014

		BAHT '000			
	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY	25				
SHARE CAPITAL					
Authorized share capital					
250,000,000 ordinary shares of Baht 1 each		<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Issued and paid-up share capital					
250,000,000 ordinary shares of Baht 1 each, fully paid		250,000	250,000	250,000	250,000
PREMIUM ON ORDINARY SHARE CAPITAL		478,000	478,000	478,000	478,000
RETAINED EARNINGS					
Appropriated					
Legal reserve	26	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		3,292,818	1,655,290	3,165,094	1,626,177
OTHER COMPONENTS OF EQUITY	28				
Exchange differences on translating financial statements of a foreign operation		<u>9,954</u>	<u>(312)</u>	<u>-</u>	<u>-</u>
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		8,905,772	7,257,978	8,768,094	7,229,177
NON-CONTROLLING INTERESTS		<u>1,677</u>	<u>59</u>	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY		<u>8,907,449</u>	<u>7,258,037</u>	<u>8,768,094</u>	<u>7,229,177</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>60,636,583</u>	<u>51,013,254</u>	<u>60,071,252</u>	<u>51,115,977</u>

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF INCOME

FOR THE YEAR ENDED FEBRUARY 20, 2014

BAHT '000

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
REVENUES					
Credit card income	29	5,497,224	4,632,622	5,194,684	4,328,442
Loan income		8,157,005	6,119,170	8,162,218	6,125,427
Hire purchase income		307,332	236,323	233,884	224,838
Other income					
Bad debt recovery		678,194	730,788	674,964	692,312
Collection service income		154,882	126,522	32,728	42,512
Commission income		217,327	180,325	-	-
Gain (loss) on sale of leasehold improvement and equipment and intangible assets		1,433	(429)	1,429	(420)
Others		221,402	207,024	165,522	141,974
Total other income		1,273,238	1,244,230	874,643	876,378
Total Revenues		15,234,799	12,232,345	14,465,429	11,555,085
EXPENSES					
Operating and administrative expenses		6,086,119	4,877,129	5,754,214	4,647,458
Directors and managements' remuneration	30	107,760	90,734	79,497	70,376
Bad debts and doubtful accounts		3,842,833	3,129,141	3,765,075	3,090,729
Finance costs		2,060,914	1,780,543	1,953,638	1,679,047
Total Expenses		12,097,626	9,877,547	11,552,424	9,487,610
INCOME BEFORE INCOME TAX EXPENSES		3,137,173	2,354,798	2,913,005	2,067,475
INCOME TAX EXPENSE	33	635,708	598,373	510,105	414,195
NET PROFIT FOR THE YEAR		2,501,465	1,756,425	2,402,900	1,653,280
NET PROFIT ATTRIBUTABLE TO :					
Owners of the parent		2,501,435	1,688,466	2,402,900	1,653,280
Non-controlling interests		30	67,959	-	-
		2,501,465	1,756,425	2,402,900	1,653,280
BASIC EARNINGS PER SHARE					
	BAHT	10.01	6.75	9.61	6.61
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES					
	SHARES	250,000,000	250,000,000	250,000,000	250,000,000

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED FEBRUARY 20, 2014

BAHT '000

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Net profit for the year		2,501,465	1,756,425	2,402,900	1,653,280
Other comprehensive income (loss)					
Exchange differences on translating financial statements of a foreign operation	28	10,266	(488)	-	-
Actuarial loss from actuarial assumptions net income tax		(1,605)	(5,465)	(1,681)	(5,465)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,510,126</u>	<u>1,750,472</u>	<u>2,401,219</u>	<u>1,647,815</u>
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO :					
Owners of the parent		2,510,096	1,682,513	2,401,219	1,647,815
Non-controlling interests		30	67,959	-	-
		<u>2,510,126</u>	<u>1,750,472</u>	<u>2,401,219</u>	<u>1,647,815</u>

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED FEBRUARY 20, 2014

Notes	CONSOLIDATED FINANCIAL STATEMENTS								BAHT '000	
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Appropriated reserve	Retained earnings	Unappropriated Reserve for business expansion	Other components of equity	Total owners of the parent	Non-controlling interests	Total shareholders' equity
	250,000	478,000	25,000	4,650,000	721,927	176		6,125,103	256,733	6,381,836
Beginning balance, as at February 21, 2012										
Changes during the year										
Increase in share capital from non-controlling interests in subsidiaries	25	-	-	-	-	-	-	-	178,000	178,000
Reserve for business expansion	25	-	-	200,000	(200,000)	-	-	-	-	-
Dividend paid	25	-	-	-	(262,208)	-	-	(262,208)	(178,030)	(440,238)
Interim dividend paid	25	-	-	-	(287,430)	-	-	(287,430)	-	(287,430)
Net profit for the year	-	-	-	-	1,688,466	-	-	1,688,466	67,959	1,756,425
Other comprehensive loss	-	-	-	-	(5,465)	(488)	-	(5,953)	-	(5,953)
Repayment from dissolution in a subsidiary	25	-	-	-	-	-	-	-	(30)	(30)
Repayment to non-controlling interests from business combination under common control	3	-	-	-	-	-	-	-	(324,573)	(324,573)
Ending balance, as at February 20, 2013	250,000	478,000	25,000	4,850,000	1,655,290	(312)	-	7,257,978	59	7,258,037

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED FEBRUARY 20, 2014

Notes	CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)								BAHT '000
	Issued and paid-up share capital	Premium on ordinary shares	Owners of the parent			Other components of equity	Total owners of the parent	Non-controlling interests	Total shareholders' equity
			Legal reserve	Appropriated	Unappropriated	Exchange differences on translating financial statements of a foreign operation			
				Retained earnings	Reserve for business expansion				
Beginning balance, as at February 21, 2013	250,000	478,000	25,000	4,850,000	1,655,290	(312)	7,257,978	59	7,258,037
Changes during the year									
Increase in share capital from non-controlling interests in subsidiaries	-	-	-	-	-	-	-	30	30
Dividend paid	-	-	-	-	(462,356)	-	(462,356)	(30)	(462,386)
Interim dividend paid	-	-	-	-	(399,946)	-	(399,946)	-	(399,946)
Net profit for the year	-	-	-	-	2,501,435	-	2,501,435	30	2,501,465
Other comprehensive income (loss)	-	-	-	-	(1,605)	10,266	8,661	-	8,661
Change in shareholding in subsidiary company	-	-	-	-	-	-	-	1,588	1,588
Ending balance, as at February 20, 2014	250,000	478,000	25,000	4,850,000	3,292,818	9,954	8,905,772	1,677	8,907,449

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED FEBRUARY 20, 2014

	Notes	SEPARATE FINANCIAL STATEMENTS					BAHT '000
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Appropriated Retained earnings	Unappropriated Retained earnings	
Beginning balance, as at February 21, 2012		250,000	478,000	25,000	4,650,000	728,000	6,131,000
Changes during the year							
Reserve for business expansion	25	-	-	-	200,000	(200,000)	-
Dividend paid	25	-	-	-	-	(262,208)	(262,208)
Interim dividend paid	25	-	-	-	-	(287,430)	(287,430)
Net profit for the year		-	-	-	-	1,653,280	1,653,280
Other comprehensive loss		-	-	-	-	(5,465)	(5,465)
Ending balance, as at February 20, 2013		250,000	478,000	25,000	4,850,000	1,626,177	7,229,177
Beginning balance, as at February 21, 2013		250,000	478,000	25,000	4,850,000	1,626,177	7,229,177
Changes during the year							
Dividend paid	25	-	-	-	-	(462,356)	(462,356)
Interim dividend paid	25	-	-	-	-	(399,946)	(399,946)
Net profit for the year		-	-	-	-	2,402,900	2,402,900
Other comprehensive loss		-	-	-	-	(1,681)	(1,681)
Ending balance, as at February 20, 2014		250,000	478,000	25,000	4,850,000	3,165,094	8,768,094

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

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED FEBRUARY 20, 2014

BAHT '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax		3,137,173	2,354,798	2,913,005	2,067,475
Adjustments for:					
Bad debts and doubtful accounts		3,842,833	3,129,141	3,765,075	3,090,729
Depreciation		253,033	230,148	225,693	205,520
Amortization of intangible assets		291,075	333,655	260,007	300,305
Employee benefit expense		12,288	8,522	10,869	7,535
(Gain) loss on sale of leasehold improvement and equipment		(1,498)	429	(1,494)	420
Loss on sale of intangible assets		65	-	65	-
Loss on written-off of intangible assets		27,745	-	27,745	-
Interest income		(7,891,401)	(6,500,396)	(7,014,107)	(5,341,530)
Finance cost		2,060,914	1,780,543	1,953,638	1,679,047
		<u>1,732,227</u>	<u>1,336,840</u>	<u>2,140,496</u>	<u>2,009,501</u>
Operating assets (increase) decrease					
Accounts receivable and other receivables		(12,530,913)	(10,635,806)	(17,847,894)	(21,175,778)
Other current assets		20,233	(12,651)	8,373	2,835
Other non-current assets		(6,855)	(6,291)	(12,155)	(2,701)
Operating liabilities increase (decrease)					
Accounts payable and other payables		73,629	300,021	21,415	267,001
Other current liabilities		(67,400)	(1,541)	(77,465)	(5,431)
Other non-current liabilities		9,382	2,700	7,297	-
Cash paid for operations		<u>(10,769,697)</u>	<u>(9,016,728)</u>	<u>(15,759,933)</u>	<u>(18,904,573)</u>
Proceeds from interest income		7,252,405	6,515,785	6,424,309	5,332,007
Finance cost paid		(1,952,623)	(1,786,788)	(1,846,128)	(1,685,989)
Income tax paid		<u>(487,948)</u>	<u>(539,826)</u>	<u>(387,015)</u>	<u>(364,600)</u>
Net cash used in operating activities		<u>(5,957,863)</u>	<u>(4,827,557)</u>	<u>(11,568,767)</u>	<u>(15,623,155)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceed from redemption of temporary investments		1,550,000	250,000	-	-
Cash paid for temporary investments		-	(1,550,000)	-	-
Cash paid for fixed deposits at banks under obligations		(10,050)	(555)	-	-
Cash paid for purchases of leasehold improvement and equipment		(451,148)	(260,518)	(383,618)	(242,470)
Cash paid for investment in intangible assets		(239,192)	(144,986)	(219,700)	(132,769)
Proceeds from sale of leasehold improvement and equipment		12,910	726	12,891	722
Proceeds from sale of intangible assets		1,155	-	1,155	-
Cash paid for capital refund of subsidiary		-	(34)	-	-
Proceeds from capital refund from other company		10	-	10	-

AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED FEBRUARY 20, 2014

BAHT '000

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES					
(CONTINUED)					
Proceeds from sales of investment in subsidiary		1,588	-	9,308	-
Cash paid for business combination		-	(324,573)	-	(324,573)
Cash paid for investment in subsidiaries		-	-	(165,972)	(31,143)
Net cash provided by (used in) investing activities		<u>865,273</u>	<u>(2,029,940)</u>	<u>(745,926)</u>	<u>(730,233)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from sale of additional revolving receivables under securitization projects		-	-	7,457,740	9,151,030
Proceeds from sale of written-off accounts receivable		-	228,360	-	228,360
Proceeds from redemption of subordinated lending		1,438,000	592,530	1,438,000	592,530
Cash repayments for subordinated lending		(1,399,352)	-	(1,399,352)	-
Proceeds from bank overdrafts and short-term loans from financial institutions		103,307,141	45,943,339	102,641,233	45,827,000
Cash repayments for bank overdrafts and short-term loans from financial institutions		(105,076,067)	(43,152,167)	(104,666,233)	(43,102,000)
Proceeds from short-term loans from subsidiary		-	-	50,000	-
Proceeds from long-term debentures		1,487,850	1,559,000	1,487,850	1,559,000
Cash repayments for long-term debentures		-	(1,000,000)	-	(1,000,000)
Proceeds from long-term loans		17,167,485	13,412,140	17,167,485	13,412,140
Cash repayments for long-term loans		(10,717,115)	(9,737,195)	(10,717,115)	(9,737,195)
Cash payments for finance lease agreements		(15,136)	(27,975)	-	-
Proceeds from increased share capital in subsidiaries before business combination under common control		-	178,000	-	-
Proceeds from ordinary shares issued of subsidiary		30	-	-	-
Dividend paid		(462,386)	(440,238)	(462,356)	(262,208)
Interim dividend paid		(399,946)	(287,430)	(399,946)	(287,430)
Net cash provided by financing activities		<u>5,330,504</u>	<u>7,268,364</u>	<u>12,597,306</u>	<u>16,381,227</u>
Net increase in cash and cash equivalents		237,914	410,867	282,613	27,839
Increase (decrease) in exchange differences on translating financial statements of a foreign operation		10,266	(488)	-	-
Cash and cash equivalents at beginning of the year		<u>2,186,552</u>	<u>1,776,173</u>	<u>1,519,043</u>	<u>1,491,204</u>
Cash and cash equivalents at the end of the year	6.1	<u><u>2,434,732</u></u>	<u><u>2,186,552</u></u>	<u><u>1,801,656</u></u>	<u><u>1,519,043</u></u>

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

**AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED FEBRUARY 20, 2014**

1. OPERATIONS AND GENERAL INFORMATION

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

As at February 20, 2014 and 2013, the Company has 116 branches and 100 branches, respectively.

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

The Company has subsidiaries which are under its control in finance and operations as mentioned in Notes 2.5 and 11.1.

On March 14, 2013, Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6), a new subsidiary of the Company, was registered as a special purpose company under the Civil and Commercial Code of Thailand and the Securitization Law. The main objective of Eternal 6 is to operate as a special purpose juristic person in securitization project and to engage in any activities for the purpose of implementing or facilitating the securitization in accordance with the securitization projects approved by the Office of the Securities and Exchange Commission of Thailand ("the SEC") on May 10, 2013. On May 14, 2013, the Company entered into the Receivables Sales and Purchase Agreement with Eternal 6 of Baht 4,500 million (see Note 8.5).

On July 1, 2013, ACS Insurance Broker (Thailand) Company Limited ("ACSB") and ACS Life Insurance Broker (Thailand) Company Limited ("ACSL"), the Company's subsidiaries have been amalgamated and formed to a new company namely AEON Insurance Service (Thailand) Company Limited. The new company's objective is to carry on business of non-life insurance broker and life insurance broker. All rights and obligation of ACSB and ACSL shall be automatically transferred to the new company by virtue of the Civil and Commercial Code in the section of Amalgamation of Limited Companies. The assets and liabilities which were transferred to the new company as at July 1, 2013, were in the amount of Baht 415 million and Baht 229 million, respectively.

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

- 2.1 The Company and its subsidiaries maintain its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards (TFRSs) and accounting practices generally accepted in Thailand.

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

- 2.2 The consolidated and separate financial statements are prepared in compliance with TAS 1 (Revised 2009) “Presentation of Financial Statements” and the Notification of the Department of Business Development dated September 28, 2011 regarding “The Brief Particulars in the Financial statements B.E. 2554” and disclose additional information as per the regulation of the SEC.

- 2.3 The consolidated financial statements for the years ended February 20, 2014 and 2013 included the accounts of the Company and its subsidiaries. Significant transactions and balances between the Company and the subsidiaries have been eliminated.

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

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

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

- 2.4 The Company applies the acquisition method for business combinations other than those with entities under common control. Acquisition cost is measured at the consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

For the business combinations under common control, the Company applies the similar to pooling of interests method in accordance with accounting guideline of business combinations under common control. The assets and liabilities included in the consolidated financial statements are recognized at the book values of identifiable assets and liabilities of the entities under common control at the date of business combinations.

Transaction costs that the Company incurs in connection with the business combination, such as legal fees and other professional and consulting fees are expensed as incurred.

2.5 For the years ended February 20, 2014 and 2013, the subsidiaries included in the consolidated financial statements are as follows:

	Business type	Country of Registration	Registration Date	Percentage of direct and indirect holdings	
				2013	2012
Eternal 3 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	December 21, 2005	- *	26.00
Eternal 4 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	February 22, 2007	26.00**	26.00
Eternal 5 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	April 5, 2010	26.00***	26.00
Eternal 6 Special Purpose Vehicle Company Limited	Special purpose juristic person in securitization projects	Thailand	March 14, 2013	26.00	-
AEON Microfinance (Cambodia) Private Company Limited	Retail finance business	Cambodia	October 5, 2011	100.00	100.00
AEON Insurance Service (Thailand) Company Limited****	Non-life insurance broker and life insurance broker	Thailand	July 1, 2013	100.00	-
ACS Insurance Broker (Thailand) Company Limited****	An agency for non-life insurance	Thailand	January 26, 2005	-	100.00
ACS Life Insurance Broker (Thailand) Company Limited****	An agency for life insurance broker	Thailand	October 11, 2006	-	100.00
ACS Servicing (Thailand) Company Limited	Collection servicer	Thailand	March 13, 2007	100.00	100.00
AEON Microfinance (Myanmar) Company Limited	Retail finance	Myanmar	November 2, 2012	100.00	100.00
AEON Leasing Service (Lao) Company Limited	Retail finance	Laos	January 11, 2013	95.00*****	100.00

* Eternal 3 Special Purpose Vehicle Company Limited had already registered the completion of the liquidation process with Department of Business Development, Ministry of Commerce on November 9, 2012 (see Note 8.5).

** Eternal 4 Special Purpose Vehicle Company Limited had already registered the dissolution with the Department of Business Development, Ministry of Commerce on February 20, 2013 (see Notes 8.5 and 11.1).

*** Eternal 5 Special Purpose Vehicle Company Limited has already registered the dissolution with the Department of Business Development, Ministry of Commerce on August 20, 2013 (see Notes 8.5 and 11.1).

**** AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

***** The Company holds shares indirectly through ACS Servicing (Thailand) Company Limited and AEON Insurance Service (Thailand) Company Limited with 13% and 13% shareholding, respectively.

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

- 2.6 The Federation of Accounting Professions has issued the Notifications regarding the Thai Financial Reporting Standards (TFRSs), which have been announced in the Royal Gazette as follows:

- 1) Thai Accounting Standard (TAS), Thai Financial Reporting Standard (TFRS), Thai Accounting Standard Interpretation (TSI) and Thai Financial Reporting Interpretation (TFRI) which are effective for the financial statements for the periods beginning on or after January 1, 2014:

Thai Accounting Standard (TAS)

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interests in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of Assets
TAS 38 (Revised 2012)	Intangible Assets

The Financial Reporting Standard (TFRS)

TFRS 2 (Revised 2012)	Share-based Payment
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

Thai Accounting Standard Interpretation (TSI)

TSI 15	Operating Leases – Incentives
TSI 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSI 29	Disclosure - Service Concession Arrangements
TSI 32	Intangible Assets - Web Site Costs

Thai Financial Reporting Interpretations (TFRI)

TFRI 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4	Determining Whether an Arrangement Contains a Lease
TFRI 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRI 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRI 10	Interim Financial Reporting and Impairment
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes
TFRI 17	Distributions of Non-cash Assets to Owners
TFRI 18	Transfer of Assets From Customers

- 2) TFRS which is effective for the financial statements for the periods beginning on or after January 1, 2016:

The Financial Reporting Standard (TFRS)
TFRS 4 Insurance contract

The Company and its subsidiaries' managements will adopt the above TFRSs relevant to the Company and its subsidiaries in the preparation of the Company and its subsidiaries' financial statements when they become effective. The Company's management is in the process of assessing the impact of these standards on the financial statements for the period in which they are initially applied.

3. BUSINESS COMBINATIONS UNDER COMMON CONTROL

On September 1, 2012, the Company entered into the share sale and purchase agreement with ACS Capital Corporation Limited ("ACS Capital"), a major shareholder, for the acquisition of 100.00% shares in 3 related companies comprising ACS Insurance Broker (Thailand) Company Limited ("ACSB"), ACS Life Insurance Broker (Thailand) Company Limited ("ACSL") and ACS Servicing (Thailand) Company Limited ("ACSS") from ACS Capital. The acquisition prices to be sold and purchased are the net book values based on the audited financial statements as at August 31, 2012 of such 3 related companies as follows:

Company	Business type	Date of Acquisition	Number of shares acquired Shares	Proportion of shares acquired %	Acquisition Price Baht '000
ACSB	Non-life insurance broker	September 1, 2012	5,999,997	100.00	90,844
ACSL	Life insurance broker	September 1, 2012	3,999,997	100.00	58,380
ACSS	Collection servicer	September 1, 2012	14,799,997	100.00	175,349
					<u>324,573</u>

On September 25, 2012, the Company paid for the acquisition of shares to ACS Capital amounting to Baht 324.57 million. Such share sale and purchase is regarded as the business combination under common control transaction which the Company adjusted the consolidated financial statement for the year ended February 20, 2013, as if the business combination has always been in use.

4. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since February 21, 2013, the Company and subsidiaries have adopted the new and revised Thai Financial Reporting Standards (TFRSs) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2013 onwards, in the preparation and presentation of these financial statements. Details of such TFRSs adopted in these financial statements are as follows:

4.1 TAS 12 “Income taxes”

The Company and its subsidiaries had early adopted TAS 12 “Income Taxes” before the effective date, by changing from the accrual basis, based on the taxable profit for the year, to deferred income tax. Therefore, this standard did not have significant impact on the financial statements for the year ended February 20, 2014.

4.2 TAS 21 (revised 2009) “The Effects of Changes in Foreign Exchange Rates”

TAS 21 (revised 2009) “The Effects of Changes in Foreign Exchange Rates” has required the Company and its subsidiaries to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation. Management has determined that the functional currency of the Company is Thai Baht; therefore, the adoption of such TFRS has no significant impact on the Company and subsidiaries’ financial statements.

4.3 TFRS 8 “Operating Segments”

TFRS 8 “Operating Segments” changed requirements about the presentation and disclosure of information on operating segments in the financial statements. Therefore, it affected the presentation and disclosure of segment information based on the internal reports provided to the Company and its subsidiaries’ Chief Operating Decision Maker to make decisions about assessing the performance of each segment and allocating resources to those segments, which the Company and its subsidiaries have disclosed segment information for the year ended February 20, 2014 and 2013 in Note 36.

5. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies.

5.1 Cash and cash equivalents

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

5.2 Accounts receivable

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

Accounts receivables of insurance brokers are stated at total amount of premium to be collected from customers for forwarding to insurance companies including the portion of the Company's commission.

5.3 Allowance for doubtful accounts and bad debts

The Company and subsidiaries' allowance for doubtful accounts have been complied with the notification of the Office of the Securities and Exchange Commission by fully providing for all receivables which are over 3 installments contractually past due. The Company has written off debts that are determined to be irrecoverable.

Furthermore, the Company and subsidiaries had set aside an additional allowance for doubtful accounts by taking into consideration the estimated collection losses on receivables at the end of the year. Such estimated losses are based on the Company's collection experience.

Bad debt recovery is recorded as income in the statements of income when received.

5.4 Troubled debt restructuring

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

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

5.5 Securitization transactions

Since there are no Thai accounting standards in dealing with securitization transactions, the Company applied the exposure draft of the accounting guideline issued by the Federation of Accounting Professions for accounting for securitizations.

For securitization transactions under the Projects which were approved by the SEC since February 3, 2006, the Company recognized the sales of credit card receivables to a Special Purposes Vehicle (“Securitization Plan”), according to the approval conditions required by the SEC. The conditions related to the accounting treatment are as follows:

- (1) The Company will prepare its financial statements in accordance with the accounting standards and exposure draft of the accounting guideline issued by the Federation of Accounting Professions. Therefore, the Company will prepare consolidated financial statements to combine the financial statements of Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4), Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) and Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6).
- (2) The Company is able to derecognize the credit card receivables, which were transferred to the SPV, and the debentures under the securitization project in the amount that the risks and rewards on the receivables have been transferred to the debenture holders for both initial receivables transferred on the initial cut off date and additional revolving receivables transferred during the revolving period.

For those receivables whose risks and rewards were not transferred to the debenture holders, the Company has recorded it as Subordinated Lending Account which is separately presented in the consolidated and separate statements of financial position.

In order to derecognize the credit card receivables and the debentures under the securitization project which the risks and rewards on the receivables have been transferred to the debenture holders, the Company has considered that the risks and rewards have been transferred when the transferor surrenders control over those assets to the transferee and accounted for as a sale to the extent that consideration other than beneficial interests in the transferred assets is received in exchange. And such beneficial interests do not include other retained interests in the transferred assets.

Servicing assets and other retained interests in the transferred assets are measured by allocating the previous carrying amount between the assets sold, if any, and retained interests, if any, based on their relative fair values at the date of transfer, if practicable.

5.6 Investments

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

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

In case impairment in value of investment has occurred, the resultant loss of investment is recognized in the statement of income.

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

5.7 Leasehold improvement and equipment

Leasehold improvement and equipment are stated at cost less accumulated depreciation.

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

Depreciation for the finance lease assets is charged as expense for the year. The depreciation method for leased assets is consistent with that for depreciable assets that are owned.

5.8 Intangible assets

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

5.9 Assets and liabilities in foreign currencies

5.9.1 Functional currency and presentation currency

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

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

5.9.2 Translation of foreign currency transaction

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

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

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

5.9.3 Translation of financial statements of foreign operations

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

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

Gain (loss) on translation of financial statements of a foreign operation is shown under shareholders' equity.

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

5.10 Financial instruments

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

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

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

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

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

5.11 Lease agreements

Finance lease agreements

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

Operating lease agreements

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

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

5.12 Recognition of revenues and expenses

Interest income from purposed loan (since February 21, 2008), hire-purchase receivable (since February 21, 2008), credit card receivable and personal loan are recognized on an accrual basis which is calculated by the effective interest method.

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

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

Collection service income is recognized when debt is collected.

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

Other income and expense are recognized on an accrual basis.

5.13 Employee Benefits

5.13.1 Provident Fund

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

5.13.2 Post-employment benefits

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

Actuarial gain or loss are recognized in statement of comprehensive income.

5.14 Income tax expense

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

5.14.1 Current tax

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

5.14.2 Deferred tax

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

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

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

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

5.15 Basic earnings per share

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

5.16 Significant use of accounting judgments and estimations

In the application of the Company's accounting policies described above, the management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. Significant accounting estimates are as follows:

(1) Allowance for doubtful accounts and bad debts

The determination of the additional allowance for doubtful accounts from the notification of the SEC requires the use of various assumptions and judgments by the management, which includes the estimated collection losses on receivables, based on the Company's collection experience. The management reviews these estimates and assumptions on a regular basis.

(2) Fair value of financial instruments

For the disclosures of fair value of financial instruments, management's considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value.

6. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

6.1 Cash and cash equivalents as at February 20, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014 Baht' 000	2013 Baht' 000	2014 Baht' 000	2013 Baht' 000
Cash	867,109	807,202	861,615	799,626
Deposits at bank - call deposits	1,567,623	1,069,350	940,041	719,417
Fixed deposits with maturity within 3 months from acquisition date	-	310,000	-	-
Cash and cash equivalents	<u>2,434,732</u>	<u>2,186,552</u>	<u>1,801,656</u>	<u>1,519,043</u>

6.2 Cash paid for purchase of leasehold improvement and equipment and intangible assets for the years ended February 20, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014 Baht '000	2013 Baht '000	2014 Baht '000	2013 Baht '000
Leasehold improvement and equipment				
Liabilities recorded - brought forward	38,474	81,886	38,474	81,886
Purchase of leasehold improvement and equipment	<u>447,162</u>	<u>217,106</u>	<u>379,632</u>	<u>199,058</u>
	485,636	298,992	418,106	280,944
<u>Less</u> Cash payments for purchase of leasehold improvement and equipment	<u>(451,148)</u>	<u>(260,518)</u>	<u>(383,618)</u>	<u>(242,470)</u>
Liabilities recorded - carried forward	<u>34,488</u>	<u>38,474</u>	<u>34,488</u>	<u>38,474</u>
Intangible assets				
Liabilities recorded - brought forward	10,234	-	10,234	-
Purchase of intangible assets	<u>240,675</u>	<u>155,220</u>	<u>221,183</u>	<u>143,003</u>
	250,909	155,220	231,417	143,003
<u>Less</u> Cash payments for investment in intangible assets	<u>(239,192)</u>	<u>(144,986)</u>	<u>(219,700)</u>	<u>(132,769)</u>
Liabilities recorded - carried forward	<u>11,717</u>	<u>10,234</u>	<u>11,717</u>	<u>10,234</u>

- 6.3 During the years ended February 20, 2014 and 2013, the Company had non-cash item relating to sale of the right on credit card receivables as the Company sold additional revolving credit card receivables to subsidiaries during the revolving period or repurchased the right on credit card receivables which was settled by decreasing the Seller Participation Account of Baht 2,184.39 million and increasing of Baht 790.45 million, respectively, instead of cash receipt.

7. TEMPORARY INVESTMENTS

Temporary investments as at February 20, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2014 Baht '000	2013 Baht '000
Fixed deposits with maturity more than 3 months from acquisition date	-	1,550,000
	<u>-</u>	<u>1,550,000</u>

As at February 20, 2013, a subsidiary invested in fixed deposits of a financial institution in Thailand in the amount of Baht 1,550 million carrying interest at the rates of 2.02% - 2.33% per annum and due within September 2013. As at February 20, 2014, such temporary investments were already redeemed.

8. ACCOUNTS RECEIVABLE

8.1 Accounts receivable as at February 20, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS					
	2014			2013		
	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000
Hire-purchase receivable						
Hire-purchase and accrued interest receivable	992,994	610,883	1,603,877	755,390	374,020	1,129,410
<u>Less</u> Unearned financing income	(186,073)	(66,650)	(252,723)	(159,254)	(53,246)	(212,500)
	<u>806,921</u>	<u>544,233</u>	<u>1,351,154</u>	<u>596,136</u>	<u>320,774</u>	<u>916,910</u>
<u>Less</u> Allowance for doubtful accounts	(25,743)	(720)	(26,463)	(30,597)	(136)	(30,733)
Hire-purchase and accrued interest receivable - net	<u>781,178</u>	<u>543,513</u>	<u>1,324,691</u>	<u>565,539</u>	<u>320,638</u>	<u>886,177</u>
Loans receivable						
Loans and accrued interest receivable	33,341,396	562,451	33,903,847	28,258,743	562,961	28,821,704
<u>Less</u> Allowance for doubtful accounts	(1,350,268)	-	(1,350,268)	(1,154,756)	-	(1,154,756)
Loans and accrued interest receivable - net	<u>31,991,128</u>	<u>562,451</u>	<u>32,553,579</u>	<u>27,103,987</u>	<u>562,961</u>	<u>27,666,948</u>

CONSOLIDATED FINANCIAL STATEMENTS

	2014			2013		
	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000
Credit card receivable						
Credit card and accrued interest receivable	19,553,174	-	19,553,174	15,578,689	-	15,578,689
<u>Less</u> Allowance for doubtful accounts	(535,377)	-	(535,377)	(434,516)	-	(434,516)
Credit card and accrued interest receivable - net	19,017,797	-	19,017,797	15,144,173	-	15,144,173
Receivable from rendering the collection service	5,869	-	5,869	4,557	-	4,557
Receivable from insurance broker business	114,874	-	114,874	72,157	-	72,157
Total accounts receivable	51,910,846	1,105,964	53,016,810	42,890,413	883,599	43,774,012

SEPARATE FINANCIAL STATEMENTS

	2014			2013		
	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000	Due within 1 year Baht '000	Due after 1 year Baht '000	Total Baht '000
Hire-purchase receivable						
Hire-purchase and accrued interest receivable	801,730	437,102	1,238,832	717,738	343,126	1,060,864
<u>Less</u> Unearned financing income	(186,073)	(66,650)	(252,723)	(159,254)	(53,246)	(212,500)
	615,657	370,452	986,109	558,484	289,880	848,364
<u>Less</u> Allowance for doubtful Accounts	(23,873)	-	(23,873)	(30,513)	-	(30,513)
Hire-purchase and accrued interest receivable - net	591,784	370,452	962,236	527,971	289,880	817,851
Loans receivable						
Loans and accrued interest Receivable	33,309,773	560,550	33,870,323	28,258,743	562,961	28,821,704
<u>Less</u> Allowance for doubtful Accounts	(1,350,269)	-	(1,350,269)	(1,154,756)	-	(1,154,756)
Loans and accrued interest receivable - net	31,959,504	560,550	32,520,054	27,103,987	562,961	27,666,948
Credit card receivable						
Credit card and accrued interest receivable	19,147,246	-	19,147,246	15,038,364	-	15,038,364
<u>Less</u> Allowance for doubtful Accounts	(452,818)	-	(452,818)	(338,071)	-	(338,071)
Credit card and accrued interest receivable - net	18,694,428	-	18,694,428	14,700,293	-	14,700,293
Total accounts receivable	51,245,716	931,002	52,176,718	42,332,251	852,841	43,185,092

8.2 Quality of assets

Accounts receivable as at February 20, classified by aging, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Less than 3 months	53,294,947	44,219,200	52,454,807	43,597,177
3 months up	1,633,971	1,174,817	1,548,871	1,111,255
Total	54,928,918	45,394,017	54,003,678	44,708,432
Less Allowance for doubtful accounts	(1,912,108)	(1,620,005)	(1,826,960)	(1,523,340)
Total accounts receivable	53,016,810	43,774,01	52,176,718	43,185,092

8.3 Troubled debt restructuring

For the years ended February 20, 2014 and 2013, the Company had recognized interest income on restructured debts totaling Baht 164.09 million and Baht 126.04 million, respectively.

The Company had the outstanding balances of credit card receivables, hire-purchase receivables and loan receivables as at February 20, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2014		2013	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	39,542	1,198,004	37,515	1,069,549
Non-restructured accounts receivable	3,467,985	53,610,171	3,086,823	44,247,754
Total accounts receivable	3,507,527	54,808,175	3,124,338	45,317,303

	SEPARATE FINANCIAL STATEMENTS			
	2014		2013	
	Number of debtors	Amount Baht '000	Number of debtors	Amount Baht '000
Restructured accounts receivable	39,542	1,198,004	37,515	1,069,549
Non-restructured accounts receivable	3,285,212	52,805,674	2,941,038	43,638,883
Total accounts receivable	3,324,754	54,003,678	2,978,553	44,708,432

As at February 20, 2014 and 2013, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

8.4 Allowance for doubtful accounts

Allowance for doubtful accounts as at February 20, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Beginning balance	1,620,005	2,494,025	1,523,340	2,220,021
Bad debts and doubtful accounts	3,842,833	3,129,141	3,765,075	3,090,729
Written-off bad debts	(3,550,730)	(4,003,161)	(3,461,455)	(3,787,410)
Ending balance	1,912,108	1,620,005	1,826,960	1,523,340

8.5 Transfers of financial assets

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

Details of aforementioned sales of receivables are summarized as follows:

		ESPT*	Eternal 4**	Eternal 5***	Eternal 6****
Approved date of the securitization projects by the Office of the Securities and Exchange Commission of Thailand ("the SEC")		February 3, 2006	June 21, 2007	May 19, 2010	May 10, 2013
Initial selling date		February 6, 2006	June 25, 2007	May 20, 2010	May 20, 2013
Type of transferred receivables		Credit Card Receivable	Credit Card Receivable	Credit Card Receivable	Credit Card Receivable
Revolving period		February 2006 - January 2011 (approximately)	June 2007 - May 2012 (approximately)	May 2010 - April 2015 (approximately)	April 2013 - April 2018 (approximately)
Initial sales of receivables					
Net book value of initial receivables	Baht	2,782,514,549	3,038,017,234	4,355,040,449	4,500,002,090
Proceeds from transfer of the right of receivables (see Note 23)	Baht	2,280,000,000	2,205,000,000	2,790,000,000	2,960,000,000
Subordinated lendings (see Note 13)	Baht	370,000,000	744,000,000	1,438,000,000	1,399,351,988
Minimum seller loan - pari passu with debentures (see Note 12)	Baht	132,500,000	88,470,000	126,840,000	130,780,560
Number of contracts		181,389	178,751	205,485	183,047
Average principal amount outstanding	Baht	15,340	16,996	21,194	24,584
Interest rate		18% p.a.	18% p.a.	20% p.a.	20% p.a.

* Eternal 3 Special Purpose Vehicle Company Limited (Subsidiary)

** Eternal 4 Special Purpose Vehicle Company Limited (Subsidiary)

*** Eternal 5 Special Purpose Vehicle Company Limited (Subsidiary)

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

The Company does not recognize other assets obtained in the transfer of financial assets including retained interests on the financial statements because it is not practical to estimate their reliable fair values.

Other related information is summarized as follows:

During the life of the securitization projects, the Company may repurchase the Purchased Receivables from such Special Purpose Vehicle in the following circumstances:

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

The key financial information of Special Purpose Vehicle Companies are summarized as follows:

	ESPT*	Eternal 4*	Eternal 5*	Eternal 6*
	Baht '000	Baht '000	Baht '000	Baht '000
Statements of financial position				
As of February 20, 2014				
Total assets	-	44	44	5,104,571
Total liabilities	-	-	-	5,104,527
Total shareholders' equity	-	44	44	44
As of February 20, 2013				
Total assets	-	18,351	7,010,893	-
Total liabilities	-	18,307	7,010,849	-
Total shareholders' equity	-	44	44	-
Statement of income				
For the year ended February 20, 2014				
Total income	-	14	189,037	911,788
Bad debts and doubtful accounts (Reversal)	-	-	(67,802)	142,682
Other operating expenses (Reversal)	-	(682)	52,399	252,613
Interest expenses	-	-	56,103	223,859
Income tax	-	162	29,667	58,527
Net income	-	534	118,670	234,107

The Company does not recognize other assets obtained in the transfer of financial assets including retained interests on the financial statements because it is not practical to estimate their reliable fair values.

Other related information is summarized as follows:

During the life of the securitization projects, the Company may repurchase the Purchased Receivables from such Special Purpose Vehicle in the following circumstances:

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

The key financial information of Special Purpose Vehicle Companies are summarized as follows:

	ESPT*	Eternal 4*	Eternal 5*	Eternal 6*
	Baht '000	Baht '000	Baht '000	Baht '000
Statements of financial position				
As of February 20, 2014				
Total assets	-	44	4	5,104,57
Total liabilities	-	-	-	5,104,52
Total shareholders' equity	-	44	4	44
As of February 20, 2013				
Total assets	-	18,351	7,010,893	-
Total liabilities	-	18,307	7,010,849	-
Total shareholders' equity	-	44	44	-
Statement of income				
For the year ended February 20, 2014				
Total income	-	14	189,037	911,788
Bad debts and doubtful accounts (Reversal)	-	-	(67,802)	142,682
Other operating expenses (Reversal)	-	(682)	52,399	252,613
Interest expenses	-	-	56,103	223,859
Income tax	-	162	29,667	58,527
Net income	-	534	118,670	234,107

For the years ended February 20, 2014 and 2013, transactions relating to the transfer of financial assets under the securitization projects are summarized as follows:

	2014 Million Baht	2013 Million Baht
Transfers of future credit card receivables (at book value)		
- Credit card receivable (Eternal 4)	-	2,093
- Credit card receivable (Eternal 5)	1,132	7,058
- Credit card receivable (Eternal 6)	6,326	-
	<u>7,458</u>	<u>9,151</u>
Cash collection on behalf of Special Purpose Vehicles		
- Credit card receivable (Eternal 4)	-	2,352
- Credit card receivable (Eternal 5)	1,270	7,895
- Credit card receivable (Eternal 6)	6,837	-
	<u>8,107</u>	<u>10,247</u>
Servicing income on cash collection from Special Purpose Vehicles		
- Credit card receivable (Eternal 4)	-	84
- Credit card receivable (Eternal 5)	45	282
- Credit card receivable (Eternal 6)	211	-
	<u>256</u>	<u>366</u>

As at February 20, 2014 and 2013, the outstanding receivables sold to Special Purpose Vehicles and managed by the Company classified by aging are as follows:

	2014 Million Baht	2013 Million Baht
Credit card receivables (included accrued interest income) - Eternal 5		
Less than 3 months	-	4,705
3 months up	-	63
	<u>-</u>	<u>4,768</u>
<u>Less</u> Allowance for doubtful accounts	-	(96)
	<u>-</u>	<u>4,672</u>
Credit card receivables (included accrued interest income) - Eternal 6		
Less than 3 months	4,683	-
3 months up	82	-
	<u>4,765</u>	<u>-</u>
<u>Less</u> Allowance for doubtful accounts	(82)	-
	<u>4,683</u>	<u>-</u>
Total	<u>4,683</u>	<u>4,672</u>

9. OTHER RECEIVABLES

Other receivables as at February 20, consist of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Other receivable - related parties (see Note 34.2.1)	638	9,066	203,561	101,721
Other receivable - other companies	209,056	165,727	190,376	151,904
Prepaid expenses	48,367	58,656	35,805	35,435
Advance payment	38,380	8,683	3,068	8,144
Accrued income	29,612	-	-	-
Total	326,053	242,132	432,810	297,204

10. FIXED DEPOSITS AT BANK UNDER OBLIGATION

As at February 20, 2014 and 2013, the 3 subsidiaries have fixed deposits at banks under obligations as follows:

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2014	2013
	Baht '000	Baht '000
Pledge as collateral for Bank's letters of guarantee issued for debt collection service	620	366
Reserve in accordance with insurance regulations	3,000	3,000
Legal reserve of the foreign subsidiaries	9,796	-
Total	13,416	3,366

11. INVESTMENTS IN SUBSIDIARIES AND LONG-TERM INVESTMENTS IN RELATED COMPANIES AND OTHER COMPANIES

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

11.1 Investments in subsidiaries as at February 20, consist of:

	SEPARATE FINANCIAL STATEMENTS			
	2014		2013	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Investments in subsidiaries (see Note 34.1)				
Eternal 4 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
Eternal 5 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
Eternal 6 Special Purpose Vehicle Company Limited	26.00	10.4	-	-
AEON Microfinance (Cambodia) Private Company Limited	100.00	118,160.0	100.00	29,960.0
AEON Insurance Service (Thailand) Company Limited*	100.00	149,224.3	-	-
ACS Insurance Broker (Thailand) Company Limited*	-	-	100.00	90,844.0
ACS Life Insurance Broker (Thailand) Company Limited*	-	-	100.00	58,380.2
ACS Servicing (Thailand) Company Limited	100.00	175,349.1	100.00	175,349.1
AEON Microfinance (Myanmar) Company Limited	100.00	78,889.1	100.00	1,127.1
AEON Leasing Service (Lao) Company Limited	69.00	20,718.2	100.00	30,026.3
Total investments in subsidiaries		542,371.9		385,707.5

* AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

- (1) On October 10, 2012, Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4) redeemed all participation in special purpose vehicle for securitization, subordinated lending and debentures, and the Company repurchased all outstanding receivables from Eternal 4 which led to the end of the securitization project of Eternal 4 on the same date. As at February 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 4 had passed the resolutions to approve the dissolution and liquidation and Eternal 4 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 4 is in the process of liquidation (see Note 8.5).
- (2) On May 10, 2013, Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) has redeemed all seller loan in special purpose vehicle for securitization, subordinated lending and long-term debentures, and the Company repurchased all outstanding receivables from Eternal 5 which led to the end of the securitization project of Eternal 5 on the same date. As at August 20, 2013, the Extraordinary Shareholders' Meetings of Eternal 5 had passed the resolutions to approve the liquidation and dissolution and Eternal 5 registered the dissolution with Department of Business Development, Ministry of Commerce on the same date. Eternal 5 is in the process of liquidation (see Note 8.5).

- (3) On May 20, 2013, the Company paid Baht 10,400 for investment in ordinary shares of Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6), a new subsidiary of the Company, which was registered as a special purpose company under the Civil and Commercial Code of Thailand and the Securitization Law.
- (4) On April 4, 2013, the Company paid Baht 88.20 million for additional investment for capital increase of AEON Microfinance (Cambodia) Private Company Limited.
- (5) On September 1, 2012, the Company entered into the share sale and purchase agreement with ACS Capital Corporation Limited (“ACS Capital”), a major shareholder, for the acquisition of 100% shares in 3 related companies comprising of the ACS Insurance Broker (Thailand) Company Limited (“ACSB”), ACS Life Insurance Broker (Thailand) Company Limited (“ACSL”) and ACS Servicing (Thailand) Company Limited (“ACSS”) from ACS Capital resulting in such companies becoming the subsidiaries of the Company as at the same date. (see Note 3)
- (6) During the year ended February 20, 2013, the Company paid Baht 1.13 million for investment in AEON Microfinance (Myanmar) Company Limited, a new subsidiary of the Company, which was incorporated in Myanmar in order to conduct the retail finance business.

Subsequently, during the year ended February 20, 2014, the Company paid Baht 77.76 million for additional investment for capital increase of AEON Microfinance (Myanmar) Company Limited.

- (7) During the year ended February 20, 2013, the Company paid Baht 30.03 million for investment in AEON Leasing Service (Lao) Company Limited, a new subsidiary of the Company, which was incorporated in Laos in order to conduct the retail finance business.

Subsequently, on September 17, 2013, the Company transferred investment in ordinary shares of AEON Leasing Service (Lao) Company Limited to 2 subsidiaries and third parties in the amount of Baht 4.26 million Baht 4.26 million and Baht 1.59 million, respectively.

11.2 Long-term investments in related companies as at February 20, consist of:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	2014		2013	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Long-term investments in related companies				
Aeon (Thailand) Co., Ltd. (340,000 shares of Baht 100 each, Baht 25 called up)	5.23	8,500	8.50	8,500
PT. Aeon Credit Service Indonesia (173 shares of IDR 30 million each, par value of IDR 30 million, fully paid)	5.18	19,072	5.18	19,072
AEON Credit Service Systems (Philippines) Inc. (100,000 shares of PHP 100 each, par value of PHP 100, fully paid)	10.00	7,645	10.00	7,645
ACS Trading Vietnam Co., Ltd. (20% of joint venture's ownership of VND 50,000 million, fully paid)	20.00	16,819	20.00	16,819
		52,036		52,036
<u>Less</u> Allowance for impairment of investment		(8,500)		(8,500)
Total long-term investments in related parties		<u>43,536</u>		<u>43,536</u>

11.3 Long-term investments in other companies as at February 20, consist of:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	2014		2013	
	% of Ownership	Cost Baht '000	% of Ownership	Cost Baht '000
Eternal Special Purpose Vehicle Company Limited (ESPV)	-	-	26.00	10.4
Total long-term investment in other company		<u>-</u>		<u>10.4</u>

ESPV were registered as special purpose companies under the Securitization Law on October 3, 2003. Subsequently, ESPV redeemed all debentures and the Company repurchased all outstanding receivables from ESPV which led to the end of the securitization projects of ESPV on May 12, 2008.

On December 20, 2010, the Extraordinary Shareholders' Meetings of ESPV passed the resolutions to approve the liquidation and dissolution. ESPV has already registered the liquidation with the Ministry of Commerce on May 21, 2013.

12. PARTICIPATION IN SPECIAL PURPOSE VEHICLES FOR SECURITIZATION

Participation in Special Purpose Vehicles for securitization as at February 20, is as follows:

	SEPARATE FINANCIAL STATEMENTS	
	2014 Baht '000	2013 Baht '000
Seller loan in Special Purpose Vehicles for securitization (see Note 34.2.1)		
Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5)	-	2,650,878
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	466,490	-
Total	466,490	2,650,878
<u>Less</u> Current portion of seller loan amounts in Special Purpose Vehicles for securitization	-	(2,650,878)
Seller loan in Special Purpose Vehicle for Securitization	466,490	-

On the contract dates under securitization projects, the Company received partial payments from Eternal 5 and Eternal 6 with seller loan accounts under securitization projects of Baht 127,040,449 and Baht 140,650,102, respectively, which are non-subordinated and ranked in order of priority pari passu with payments of principal in respect of the debentures. The aggregate seller loan accounts will increase from partial payments of such Special Purpose Vehicle Companies for purchase of Future Receivables and Additional Receivables when such Special Purpose Vehicle Companies' net cash flow generated by the Purchased Receivables is insufficient. Seller loan accounts are reduced by the repurchase of ineligible receivables and the receipt of the excess cash from such Special Purpose Vehicle Companies. However, the Company has to retain such Seller loan Minimum Amounts on Eternal 5 and Eternal 6 not less than 3% of the aggregate of the outstanding principal amounts of the debentures and the subordinated loans of Eternal 5 and Eternal 6 of which such amounts will be repaid by cash approximately within 2015 and 2018, respectively, or when these projects end.

On May 10, 2013, Eternal 5 has redeemed the remaining seller loan in special purpose vehicle for securitization (see Notes 8.5 and 11.1).

13. SUBORDINATED LENDINGS

Subordinated lendings with Special Purpose Vehicles as at February 20, are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2014 Baht '000	2013 Baht '000
Subordinated lendings (see Note 34.2.1)		
Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5)	-	1,438,000
Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6)	1,399,352	-
Total	1,399,352	1,438,000
<u>Less</u> Current portion of subordinated lendings	-	(1,438,000)
Subordinated lendings	1,399,352	-

- (1) On May 20, 2010, the Company entered into the subordinated bridging loan agreement with Eternal 5 amounting to Baht 1,438,000,000 for the purpose of partial payment of the Initial Credit Card Receivables from Eternal 5 under the provision of the Receivable Sale Agreement (see Note 8.5). The interest was received on the monthly basis at the rate of 3% per annum. Subsequently, such bridging loan was refinanced to be subordinated term loan in October 2010 in accordance with such Bridging Loan Agreement. The term loan is due in the year 2015 and the interest is received on the monthly basis at the rate of 12% per annum.

Subsequently, on May 10, 2013, Eternal 5 has redeemed the remaining subordinated lending (see Notes 8.5 and 11.1).

- (2) On May 14, 2013, the Company entered into the subordinated bridging loan agreement with Eternal 6 amounting to Baht 1,399,351,988 for the purpose of partial payment of the Initial Credit Card Receivables from Eternal 6 under the provision of the Receivable Sale Agreement (see Note 8.5). The interest was received on the monthly basis at the rate of 12% per annum. Subsequently, such bridging loan was refinanced to be subordinated term loan in October 2013 in accordance with such Bridging Loan Agreement. The term loan is due in the year 2018 and the interest is received on the monthly basis at the rate of 12% per annum.

14. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at February 20, consists of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Cost	2,460,912	2,109,571	2,242,756	1,958,001
Accumulated depreciation	(1,743,986)	(1,575,362)	(1,624,859)	(1,482,646)
Total leasehold improvement and equipment	<u>716,926</u>	<u>534,209</u>	<u>617,897</u>	<u>475,355</u>

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

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at February 21, 2013	Additions	Disposals	Transfer	Balance as at February 20, 2014
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Leasehold improvement	461,598	114,457	(23,963)	74,950	627,042
Furniture and office equipment	1,624,743	275,874	(71,858)	-	1,828,759
Assets under installation	23,230	56,831	-	(74,950)	5,111
	<u>2,109,571</u>	<u>447,162</u>	<u>(95,821)</u>	<u>-</u>	<u>2,460,912</u>
Accumulated depreciation					
Leasehold improvement	(313,921)	(65,046)	19,892	-	(359,075)
Furniture and office equipment	(1,261,441)	(187,987)	64,517	-	(1,384,911)
	<u>(1,575,362)</u>	<u>(253,033)</u>	<u>84,409</u>	<u>-</u>	<u>(1,743,986)</u>
Total leasehold improvement and equipment	<u>534,209</u>				<u>716,926</u>

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at February 21, 2012	Additions	Disposals	Transfer	Balance as at February 20, 2013
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Leasehold improvement	408,613	89,295	(36,310)	-	461,598
Furniture and office equipment	1,543,932	106,716	(25,905)	-	1,624,743
Assets under installation	2,135	21,095	-	-	23,230
	<u>1,954,680</u>	<u>217,106</u>	<u>(62,215)</u>	<u>-</u>	<u>2,109,571</u>
Accumulated depreciation					
Leasehold improvement	(296,345)	(52,983)	35,407	-	(313,921)
Furniture and office equipment	(1,109,929)	(177,165)	25,653	-	(1,261,441)
	<u>(1,406,274)</u>	<u>(230,148)</u>	<u>61,060</u>	<u>-</u>	<u>(1,575,362)</u>
Total leasehold improvement and equipment	<u>548,406</u>				<u>534,209</u>

SEPARATE FINANCIAL STATEMENTS					
	Balance as at February 21, 2013	Additions	Disposals	Transfer	Balance as at February 20, 2014
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Leasehold improvement	442,362	97,338	(23,963)	71,626	587,363
Furniture and office equipment	1,495,610	226,977	(70,914)	-	1,651,673
Assets under installation	20,029	55,317	-	(71,626)	3,720
	<u>1,958,001</u>	<u>379,632</u>	<u>(94,877)</u>	<u>-</u>	<u>2,242,756</u>
Accumulated depreciation					
Leasehold improvement	(304,010)	(60,838)	19,891	-	(344,957)
Furniture and office equipment	(1,178,636)	(164,855)	63,589	-	(1,279,902)
	<u>(1,482,646)</u>	<u>(225,693)</u>	<u>83,480</u>	<u>-</u>	<u>(1,624,859)</u>
Total leasehold improvement and equipment	<u>475,355</u>				<u>617,897</u>

	SEPARATE FINANCIAL STATEMENTS				
	Balance	Additions	Disposals	Transfer	Balance
	as at				as at
	February 21, 2012				February 20, 2013
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Cost					
Leasehold improvement	393,320	85,357	(36,315)	-	442,362
Furniture and office equipment	1,427,585	93,672	(25,647)	-	1,495,610
Assets under installation	-	20,029	-	-	20,029
	<u>1,820,905</u>	<u>199,058</u>	<u>(61,962)</u>	<u>-</u>	<u>1,958,001</u>
Accumulated depreciation					
Leasehold improvement	(289,623)	(49,794)	35,407	-	(304,010)
Furniture and office equipment	(1,048,323)	(155,726)	25,413	-	(1,178,636)
	<u>(1,337,946)</u>	<u>(205,520)</u>	<u>60,820</u>	<u>-</u>	<u>(1,482,646)</u>
Total leasehold improvement and equipment	<u>482,959</u>				<u>475,355</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Depreciation for the years ended February 20,	<u>253,033</u>	<u>230,148</u>	<u>225,693</u>	<u>205,520</u>

Costs of fully depreciated leasehold improvement and equipment still in use as at February 20, are as following:

	2014 Baht '000	2013 Baht '000
Consolidated financial statements	<u>1,222,077</u>	<u>1,115,762</u>
Separate financial statements	<u>1,154,592</u>	<u>1,080,493</u>

Office equipment under finance lease agreements which present in leasehold improvement and equipment account as at February 20, is as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2014	2013
	Baht '000	Baht '000
Cost	61,583	61,583
Accumulated depreciation	<u>(55,165)</u>	<u>(49,480)</u>
	<u>6,418</u>	<u>12,103</u>

15. INTANGIBLE ASSETS

Intangible assets as at February 20, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014 Baht '000	2013 Baht '000	2014 Baht '000	2013 Baht '000
Cost	2,897,203	2,874,903	2,701,368	2,698,561
Accumulated amortization	(2,277,045)	(2,167,185)	(2,147,687)	(2,068,895)
Total intangible assets	620,158	707,718	553,681	629,666

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at February 21, 2013 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (Transfer out) Baht '000
Cost				
Computer software	2,840,719	149,481	(218,375)	72,158
Computer software under installation	34,184	91,194	-	(72,158)
	2,874,903	240,675	(218,375)	-
Accumulated amortization				
Computer software	(2,167,185)	(291,075)	181,215	-
Total intangible assets	707,718			

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at February 21, 2012 Baht '000	Additions Baht '000	Disposals/ Write-off Baht '000	Transfer in (Transfer out) Baht '000
Cost				
Computer software	2,659,848	124,733	-	56,138
Computer software under installation	59,835	30,487	-	(56,138)
	2,719,683	155,220	-	-
Accumulated amortization				
Computer software	(1,833,530)	(333,655)	-	-
Total intangible assets	886,153			

	SEPARATE FINANCIAL STATEMENTS			
	Balance	Additions	Disposals/	Balance
	as at		Write-off	as at
	February 21, 2013			February 20, 2014
	Baht '000	Baht '000	Baht '000	Baht '000
Cost				
Computer software	2,665,683	130,767	(218,376)	2,650,010
Computer software under installation	32,878	90,416	-	51,358
	<u>2,698,561</u>	<u>221,183</u>	<u>(218,376)</u>	<u>2,701,368</u>
Accumulated amortization				
Computer software	(2,068,895)	(260,007)	181,215	(2,147,687)
Total intangible assets	<u>629,666</u>			<u>553,681</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance	Additions	Disposals/	Balance
	as at		Write-off	as at
	February 21, 2012			February 20, 2013
	Baht '000	Baht '000	Baht '000	Baht '000
Cost				
Computer software	2,495,723	113,822	-	2,665,683
Computer software under installation	59,835	29,181	-	32,878
	<u>2,555,558</u>	<u>143,003</u>	<u>-</u>	<u>2,698,561</u>
Accumulated amortization				
Computer software	(1,768,590)	(300,305)	-	(2,068,895)
Total intangible assets	<u>786,968</u>			<u>629,666</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Amortization for the years ended February 20,	<u>291,075</u>	<u>333,655</u>	<u>260,007</u>	<u>300,305</u>

Costs of fully amortized computer software still in use as at February 20, are as following:

	2014 Baht '000	2013 Baht '000
Consolidated financial statements	<u>1,539,082</u>	<u>1,224,230</u>
Separate financial statements	<u>1,486,380</u>	<u>1,223,087</u>

As at February 20, 2014 and 2013, copyrights for computer software under financial lease agreements which were included in intangible assets are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2014 Baht '000	2013 Baht '000
Cost	57,547	57,547
Accumulated amortization	(53,947)	(46,885)
	<u>3,600</u>	<u>10,662</u>

16. DEFERRED TAX ASSETS

Deferred tax assets as at February 20, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014 Baht '000	2013 Baht '000	2014 Baht '000	2013 Baht '000
Deferred tax assets				
Allowance for doubtful accounts	381,904	323,957	365,392	304,668
Non-accrual of interest income	57,852	43,762	57,008	43,131
Employee benefit obligation	11,790	8,932	10,710	8,115
Others	15,081	11,202	14,778	11,204
	<u>466,627</u>	<u>387,853</u>	<u>447,888</u>	<u>367,118</u>
Deferred tax liabilities				
Finance lease	1,743	1,353	-	-
Unrealized loss on currency swap contracts	110,209	88,596	110,209	88,596
	<u>111,952</u>	<u>89,949</u>	<u>110,209</u>	<u>88,596</u>
Deferred tax assets	<u>354,675</u>	<u>297,904</u>	<u>337,679</u>	<u>278,522</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance As at February 21, 2013 Baht '000	Items as recognized in profit or loss Baht '000	Items as recognized in other comprehensive income Baht '000	Balance As at February 20, 2014 Baht '000
Deferred tax assets				
Allowance for doubtful accounts	323,957	57,947	-	381,904
Non-accrual of interest income	43,762	14,090	-	57,852
Employee benefit obligation	8,932	2,457	401	11,790
Others	11,202	3,879	-	15,081
	<u>387,853</u>	<u>78,373</u>	<u>401</u>	<u>466,627</u>
Deferred tax liabilities				
Finance lease	1,353	390	-	1,743
Unrealized loss on currency swap contracts	88,596	21,613	-	110,209
	<u>89,949</u>	<u>22,003</u>	<u>-</u>	<u>111,952</u>
Deferred tax assets	<u>297,904</u>	<u>56,370</u>	<u>401</u>	<u>354,675</u>

CONSOLIDATED FINANCIAL STATEMENTS				
	Balance As at February 21, 2012	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance As at February 20, 2013
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	573,626	(249,669)	-	323,957
Non-accrual of interest income	44,542	(780)	-	43,762
Employee benefit obligation	5,861	1,705	1,366	8,932
Others	9,264	1,938	-	11,202
	<u>633,293</u>	<u>(246,806)</u>	<u>1,366</u>	<u>387,853</u>
Deferred tax liabilities				
Finance lease	197	1,156	-	1,353
Unrealized loss on currency swap contracts	81,011	7,585	-	88,596
	<u>81,208</u>	<u>8,741</u>	<u>-</u>	<u>89,949</u>
Deferred tax assets	<u>552,085</u>	<u>(255,547)</u>	<u>1,366</u>	<u>297,904</u>

SEPARATE FINANCIAL STATEMENTS				
	Balance As at February 21, 2013	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance As at February 20, 2014
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	304,668	60,724	-	365,392
Non-accrual of interest income	43,131	13,877	-	57,008
Employee benefit obligation	8,115	2,174	421	10,710
Others	11,204	3,574	-	14,778
	<u>367,118</u>	<u>80,349</u>	<u>421</u>	<u>447,888</u>
Deferred tax liabilities				
Unrealized loss on currency swap contracts	88,596	21,613	-	110,209
	<u>88,596</u>	<u>21,613</u>	<u>-</u>	<u>110,209</u>
Deferred tax assets	<u>278,522</u>	<u>58,736</u>	<u>421</u>	<u>337,679</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance As at February 21, 2012	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Balance As at February 20, 2013
	Baht '000	Baht '000	Baht '000	Baht '000
Deferred tax assets				
Allowance for doubtful accounts	510,605	(205,937)	-	304,668
Non-accrual of interest income	43,814	(683)	-	43,131
Employee benefit obligation	5,242	1,507	1,366	8,115
Others	9,266	1,938	-	11,204
	<u>568,927</u>	<u>(203,175)</u>	<u>1,366</u>	<u>367,118</u>
Deferred tax liabilities				
Unrealized loss on currency swap contracts	81,011	7,585	-	88,596
	<u>81,011</u>	<u>7,585</u>	<u>-</u>	<u>88,596</u>
Deferred tax assets	<u>487,916</u>	<u>(210,760)</u>	<u>1,366</u>	<u>278,522</u>

17. OTHER NON-CURRENT ASSETS

Other non-current assets as at February 20, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Deposits	126,173	111,129	116,386	104,231
Others	33,816	3,563	33,810	3,563
Total	<u>159,989</u>	<u>114,692</u>	<u>150,196</u>	<u>107,794</u>

18. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at February 20, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2014		2013	
	Interest rate %	Baht '000	Interest rate %	Baht '000
Overdrafts in THB currency	2.45	160,000	2.90	495,000
Short term loans in THB currency	2.35 - 2.60	1,150,000	2.85 - 3.17	2,840,000
Short term loans in USD currency	1.00 - 1.20	322,245	0.95 - 1.16	66,172
Total		<u>1,632,245</u>		<u>3,401,172</u>

	SEPARATE FINANCIAL STATEMENTS			
	2014		2013	
	Interest rate %	Baht '000	Interest rate %	Baht '000
Overdrafts in THB currency	2.45	160,000	2.90	495,000
Short term loans in THB currency	2.35 - 2.60	1,150,000	2.85 - 3.17	2,840,000
Total		<u>1,310,000</u>		<u>3,335,000</u>

Short-term loans from financial institutions are loans from various financial institutions in the form of promissory notes and are unsecured.

19. SHORT TERM LOAN FROM RELATED COMPANY

As at February 20, 2014, the Company has short-term loan from a subsidiary amounting to Baht 50 million with the interest floating rate of a local bank of Thailand.

20. OTHER PAYABLES

Other payables as at February 20, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Other payable - related parties (see Note 34.2.1)	57,831	4,562	216,759	415,784
Other payable - other companies	266,302	258,338	231,897	247,736
Interest payable	478,147	322,534	475,279	320,070
Accrued expenses	458,980	450,146	448,014	440,848
Total	1,261,260	1,035,580	1,371,949	1,424,438

21. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

As at February 20, 2014 and 2013, liabilities under finance lease agreements are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Minumum lease payment		Present value of minimum lease payment	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Within 1 year	1,320	16,375	1,305	14,775
Over 1 year to 5 years	-	1,320	-	1,305
	1,320	17,695	1,305	16,080
<u>Less</u> Deferred interest	(15)	(1,615)	-	-
	1,305	16,080	1,305	16,080

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

22. LONG-TERM LOANS

As at February 20, 2014 and 2013, the Company entered into various long-term loan agreements and issued promissory notes in Baht and foreign currencies as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2014		
	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Loan in YEN currency	4.10 - 5.26	40,720.00	13,096,285
Loan in USD currency	2.59 - 4.60	590.65	19,331,620
Loan in THB currency	3.65 - 5.00	-	9,420,000
<u>Less</u> Loan issuance cost			<u>(133,792)</u>
			41,714,113
<u>Less</u> Current portion of long-term loans			<u>(10,309,600)</u>
Total long-term loans			31,404,513

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2013		
	Interest rate %	Foreign currency Million	Baht equivalent Baht '000
Loan in YEN currency	3.01 - 6.61	28,220.00	9,081,563
Loan in USD currency	2.59 - 4.60	519.65	15,604,206
Loan in THB currency	3.65 - 5.00	-	8,920,000
<u>Less</u> Loan issuance cost			<u>(115,044)</u>
			33,490,725
<u>Less</u> Current portion of long-term loans			<u>(10,234,408)</u>
Total long-term loans			23,256,317

To manage risk that might occur from the fluctuation in currency and interest rate, the Company has entered into interest rate swap contracts, cross currency swap contracts and cross currency interest rate swap contracts to hedge its debts as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 20, 2014				
	Principal to be received/ paid Baht '000	Less than 1 year Baht '000	Carrying amount 1 - 5 years Baht '000	Total Baht '000
Receivable per currency swap contracts				
Cross Currency Swap Contracts				
YEN currency	945,000	-	19,854	19,854
USD currency	2,272,235	55,173	110,932	166,105
Cross Currency Interest Rate Swap Contracts				
USD currency	15,768,389	505,893	618,997	1,124,890
	<u>18,985,624</u>	<u>561,066</u>	<u>749,783</u>	<u>1,130,849</u>
Payable per currency swap contracts				
Cross Currency Interest Rate Swap Contracts				
YEN currency	13,266,800	(333,201)	(802,168)	(1,135,369)
	<u>13,266,800</u>	<u>(333,201)</u>	<u>(802,168)</u>	<u>(1,135,369)</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 20, 2013				
	Principal to be received/ paid Baht '000	Less than 1 year Baht '000	Carrying amount 1 - 5 years Baht '000	Total Baht '000
Receivable per currency swap contracts				
Cross Currency Swap Contracts				
USD currency	583,050	-	2,502	2,502
Cross Currency Interest Rate Swap Contracts				
YEN currency	1,076,250	50,096	-	50,096
USD currency	2,688,200	-	14,347	14,347
	<u>4,347,500</u>	<u>50,096</u>	<u>16,849</u>	<u>66,945</u>
Payable per currency swap contracts				
Cross Currency Swap Contracts				
YEN currency	1,284,240	(157,895)	-	(157,895)
USD currency	597,740	-	(27,202)	(27,202)
Cross Currency Interest Rate Swap Contracts				
YEN currency	8,033,630	(353,233)	(851,526)	(1,204,759)
USD currency	12,038,944	(18,408)	(274,966)	(293,374)
	<u>21,954,554</u>	<u>(529,536)</u>	<u>(1,153,694)</u>	<u>(1,683,230)</u>

23. LONG-TERM DEBENTURES

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

								CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
Issue date	Maturity Date	No. of units	Currency	Par value per unit	Amount	Interest rate %	Term of interest payment	As at February 20, 2014 Baht '000	As at February 20, 2013 Baht '000
30/07/2010	30/07/2015	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.50	Semi-annual	654,588	600,566
14/07/2011	14/07/2016	15	USD	1,000,000	15,000,000	USD-LIBOR 6M + 0.30	Semi-annual	490,941	450,425
16/12/2011	16/12/2016	20	USD	1,000,000	20,000,000	USD-LIBOR 6M + 0.80	Semi-annual	654,588	600,566
30/08/2012	30/08/2017	30	USD	1,000,000	30,000,000	USD-LIBOR 3M	Quarterly	981,882	900,849
13/09/2012	13/09/2017	20	USD	1,000,000	20,000,000	USD-LIBOR 3M + 0.20	Quarterly	654,588	600,566
24/07/2013	29/07/2018	17	USD	1,000,000	17,000,000	USD-LIBOR 6M + 0.01	Semi-annual	556,400	-
29/11/2013	29/11/2018	30	USD	1,000,000	30,000,000	USD-LIBOR 6M + 0.05	Semi-annual	981,882	-
								4,974,869	3,152,972
<u>Less</u> Debenture issuance cost								(65,190)	(66,129)
Long-term debentures								4,909,679	3,086,843

- (1) On June 17, 2009, the Company's Annual General Meeting of shareholders of 2009 had the resolution for the issuance and offering of debentures in an issuing amount not exceeding Baht 3,000 million. The currency, tenor, interest rate and other conditions will be considered and approved by the Board of Director's Meeting later when the Company is ready for the issuance and offering of debentures.

On July 30, 2010, the Company partially issued and offered debentures amounting to USD 20 million to a bank in Japan with interest rate of USD - LIBOR 6 month plus 0.50% per annum, payable on a semi-annual basis, and will be due on July 30, 2015. Such debenture is guaranteed by the same bank.

On July 14, 2011, the Company issued and offered debentures amounting to USD 15 million to a bank in Japan with interest rate of USD - LIBOR 6 month plus 0.30% per annum, payable on a semi-annual basis, and will be due on July 14, 2016. Such debenture is guaranteed by the same bank.

On December 16, 2011, the Company issued and offered debentures amounting to USD 20 million to a bank in Japan with interest rate of USD - LIBOR 6 month plus 0.80% per annum, payable on a semi-annual basis, and will be due on December 16, 2016. Such debenture is guaranteed by the same bank.

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

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

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

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

- (3) On December 25, 2012, the Board of Directors' meeting passed the resolution for the Issuance and Offering of debentures of unsubordinated and unsecured debentures in THB currency to offer for sale to general public or institutional investors. The amounts of debentures to be issued are derived from the remaining unissuing balances of debentures from the resolution of the 2005 Annual General Meeting of Shareholders held on June 9, 2005 and the resolution of the 2009 Annual General Meeting of Shareholders held on June 17, 2009, totaling Baht 2,950 million. An issuing amount of the debentures is not to exceed Baht 2,000 million. Interest rate depends on market at time of offer and issuance. Authorized directors shall be empowered to consider conditions and other details for the issue and offering of the debentures. As at February 20, 2013, the Company has not yet issued and offered such debentures.

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

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
As at February 20, 2014			
Principal to be received/ paid	Less than 1 year	Carrying amount 1 - 5 years	Total
Baht '000	Baht '000	Baht '000	Baht '000
Receivable per currency swap contracts			
Cross Currency Interest Rate Swap Contracts			
USD currency	4,774,900	199,969	199,969
	<u>4,774,900</u>	<u>199,969</u>	<u>199,969</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
As at February 20, 2013			
Principal to be received/ paid	Less than 1 year	Carrying amount 1 - 5 years	Total
Baht '000	Baht '000	Baht '000	Baht '000
Payable per currency swap contracts			
Cross Currency Interest Rate Swap Contracts			
USD currency	3,287,050	(134,079)	(134,079)
	<u>3,287,050</u>	<u>(134,079)</u>	<u>(134,079)</u>

- (4) On May 24, 2010, and May 20, 2013, Eternal 5 Special Purpose Vehicle Company Limited and Eternal 6 Special Purpose Vehicle Company Limited, the Company's subsidiaries, issued the debentures of Baht 2,790 million and Baht 2,960 million, respectively (see Note 8.5), under the Securitization projects. Cash flows from a pool of credit card receivables will be used to make payments for the debentures. Interest on the debentures will be payable monthly commencing on July 10, 2010 and July 9, 2013, respectively.

On May 10, 2013, Eternal 5 Special Purpose Vehicle Co., Ltd. redeemed the remaining balance of debentures in full (see Note 8.5).

The subsidiaries' debentures as at February 20, are as follows:

Debenture Classes	Maturity date	Amount Baht' 000	Interest rate %	2014 Baht '000	2013 Baht '000
Eternal 5 Special Purpose Vehicle Co., Ltd.					
Class A-1	May 10, 2015	2,790,000	3.10	-	2,790,000
				-	2,790,000
Eternal 6 Special Purpose Vehicle Co., Ltd.					
ClassA-sf	June 8, 2018	2,960,000	3.83	2,960,000	-
				2,960,000	-
				2,960,000	2,790,000

Such subsidiaries' debentures are eliminated against credit card receivables in the consolidated financial statements.

24. EMPLOYEE BENEFITS OBLIGATION

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

For the years ended February 20, 2014 and 2013, amounts recognized in the statements of income in respect of the post-employment benefit plans are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Current service cost	10,453	7,415	9,182	6,514
Interest cost	1,835	1,107	1,687	1,021
Actuarial loss	2,006	6,831	2,102	6,831
Total	14,294	15,353	12,971	14,366

Movements in the present value of the post-employment benefits obligation are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Beginning balance	44,659	29,306	40,578	26,212
Current service cost	10,453	7,415	9,182	6,514
Interest cost	1,835	1,107	1,687	1,021
Actuarial loss	2,006	6,831	2,102	6,831
Ending balance	58,953	44,659	53,549	40,578

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at February 20, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2014	2013
	% per annum	% per annum
Financial assumptions		
Discount rate	3.65 - 4.36	3.79 - 4.33
Turnover rate		
Monthly staffs	0.0 - 49.0	0.0 - 66.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staffs	0.0 - 55.0	0.0 - 66.0
	Subject to range of age of employees	Subject to range of age of employees
Temporary staffs	0.0 - 64.0	20.0 - 65.0
	Subject to range of age of employees	Subject to range of age of employees
Expected rate of salary increase	5.0 - 8.0	5.0
	SEPARATE FINANCIAL STATEMENTS	
	2014	2013
	% per annum	% per annum
Financial assumptions		
Discount rate	4.32	4.16
Turnover rate		
Monthly staffs	0.0 - 20.0	7.0 - 19.0
	Subject to range of age of employees	Subject to range of age of employees
Daily staffs	0.0 - 48.0	20.0 - 47.0
	Subject to range of age of employees	Subject to range of age of employees
Temporary staffs	0.0 - 64.0	20.0 - 65.0
	Subject to range of age of employees	Subject to range of age of employees
Expected rate of salary increase	5.0	5.0

25. SHAREHOLDERS' EQUITY

- 25.1 On February 20, 2012, the Extraordinary Shareholders' Meetings of Eternal 3 Special Purpose Vehicle Company Limited had passed the resolutions to approve the dissolution and liquidation and such company registered the dissolution with the Ministry of Commerce and repaid the share capital to shareholder attributed non-controlling interests amounting of Baht 0.03 million on November 9, 2012.
- 25.2 On June 14, 2012, the Annual General Meeting of Shareholders of the Company had the resolutions to approve the following matters;
- The appropriation of net income of Baht 200 million as a reserve for business expansion.
 - The declaration of final dividends for the 2011 fiscal year at the rate of Baht 1.05 per share, amounting to Baht 262.50 million. The aforementioned shareholders include 277,805 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 262.21 million on June 28, 2012.

- 25.3 On September 25, 2012, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the 2012 fiscal year at the rate Baht 1.15 per share amounting to Baht 287.50 million. The aforementioned shareholders included 60,800 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 287.43 million on October 22, 2012.
- 25.4 On June 18, 2013, the shareholders had the resolutions to approve the declaration of final dividends for the fiscal year 2012 at the rate of Baht 1.85 per share, totaling Baht 462.50 million. The aforementioned shareholders included 78,100 shares of foreign shareholder who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 462.36 million on June 27, 2013 in addition to the interim dividends which were paid to all shareholders at Baht 1.15 per share, totaling Baht 287.43 million on October 22, 2012.
- 25.5 On September 26, 2013, the Company's Board of Directors' meeting passed the resolution to declare interim dividends for the 2013 fiscal year at the rate Baht 1.60 per share amounting to Baht 400 million. The aforementioned shareholders included 33,500 shares of foreign shareholders who had no right to receive dividend in accordance with regulation of Thailand Securities Depository, thus the Company paid dividend to shareholders amounting to Baht 399.95 million on October 24, 2013.
- 25.6 Under the Securitization project, the subsidiaries have to pay dividend to their shareholders from all remaining amounts after deducting the required accumulated reserves and payment of all fees and expenses. The subsidiaries appropriate interim dividends on a monthly basis at each Monthly Purchase Date as an appropriation of net profit after income tax of each month.

In addition, the subsidiaries' registered share capital comprises ordinary shares and preferred shares which are held by non-controlling interests. Dividends from the profits of the subsidiaries shall be allocated to the holders of preferred shares at a rate not more than 50% of the par value of each preferred share. The rest of the dividends shall be distributed to the holders of ordinary shares.

- 25.7 Dividends and share capital increase of the subsidiaries for the part of non-controlling interest before the business combination under common control are as follows:
- 25.7.1 On April 30, 2012, the Shareholders' Meetings of ACS Life Insurance Broker (Thailand) Company Limited passed a resolution to approve the declaration of dividend for the year 2011 to ordinary shareholders attributed non-controlling interests at Baht 30.00 per share by 1 million shares, totaling Baht 30.00 million. Such company paid dividend to those shareholders on June 22, 2012.

- 25.7.2 On April 30, 2012, the Shareholders' Meetings of ACS Insurance Broker (Thailand) Company Limited passed a resolution to approve the declaration of dividend for the year 2011 to ordinary shareholders attributed non-controlling interests at Baht 50.00 per share by 1 million shares, totaling Baht 50.00 million. Such company paid dividend to those shareholders on June 22, 2012.
- 25.7.3 On April 30, 2012, the Shareholders' Meetings of ACS Servicing (Thailand) Company Limited passed a resolution to approve the declaration of dividend for the year 2011 to ordinary shareholders attributed non-controlling interests at Baht 19.60 per share by 5 million shares, totaling Baht 98.00 million. Such company paid dividend to those shareholders on June 22, 2012.
- 25.7.4 On June 15, 2012, the Extraordinary Shareholders' Meetings of ACS Life Insurance Broker (Thailand) Company Limited passed a resolution to approve an increase the registered share capital from Baht 10.00 million to Baht 40.00 million, by issuing of 3.00 million ordinary shares with a par value of Baht 10 each, totaling of Baht 30.00 million. The Company has received payment from increased share capital from shareholders attributed non-controlling interests and the Company has registered increase in the authorized share capital with the Ministry of Commerce on June 25, 2012.
- 25.7.5 On June 15, 2012, the Extraordinary Shareholders' Meetings of ACS Insurance Broker (Thailand) Company Limited passed a resolution to approve an increase the registered share capital from Baht 10.00 million to Baht 60.00 million, by issuing of 5.00 million ordinary shares with a par value of Baht 10 each, totaling of Baht 50.00 million. The Company has received payment from increased share capital from shareholders attributed non-controlling interests and the Company has registered increase in the authorized share capital with the Ministry of Commerce on June 25, 2012.
- 25.7.6 On June 15, 2012, the Extraordinary Shareholders' Meetings of ACS Servicing (Thailand) Company Limited passed a resolution to approve an increase the registered share capital from Baht 50.00 million to Baht 148.00 million, by issuing of 9.80 million ordinary shares with a par value of Baht 10 each, totaling of Baht 98.00 million. The Company has received payment from increased share capital from shareholders attributed non-controlling interests and the Company has registered increase in the authorized share capital with the Ministry of Commerce on June 25, 2012.

26. LEGAL RESERVE

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

As at February 20, 2014 and 2013, the Company's legal reserve equals to 10% of the registered share capital.

27. CAPITAL MANAGEMENT

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

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

The Company has been granted the license to operate the non-financial institution personal loan from the Minister of Finance. The Company must have the authorized share capital of Baht 50 million at least.

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

28. OTHER COMPONENT OF EQUITY

Other component of equity as at February 20, is as follows:

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2014	2013
	Baht '000	Baht '000
Exchange differences on translating financial statements of a foreign operation		
Beginning balance	(312)	176
Increase during the period	10,266	(488)
Ending balance	<u>9,954</u>	<u>(312)</u>

Differences on exchange relating to translation of the financial statements of a foreign operation to be presented in Thai Baht currency is recognized directly in other comprehensive income and accumulated amount is separately presented as other components of equity.

29. REVENUE RELATING TO SECURITIZATION TRANSACTION

Revenue relating to securitization transaction incurred from sale of credit card receivables is included in Credit Card Income for presentation.

For the years ended February 20, 2014 and 2013, the details of revenues from securitization transaction consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2014	2013
	Baht '000	Baht '000
Credit Card Income		
Interest income from subordinated lending	154,870	219,130
Revenue from seller participation in Special Purpose Vehicle	20,797	52,341
Dividend from investment in Special Purpose Vehicle	352,817	488,700
Servicing income	255,795	365,570
Total	<u>784,279</u>	<u>1,125,741</u>

30. DIRECTORS AND MANAGERMENTS' REMUNERATION

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

For the years ended February 20, 2014 and 2013, directors and managements' remuneration are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term employee benefits				
Managements' remuneration	86,172	77,220	64,239	60,635
Directors' remuneration	17,335	11,111	11,778	8,225
Post-employment benefits	4,253	2,403	3,480	1,516
	<u>107,760</u>	<u>90,734</u>	<u>79,497</u>	<u>70,376</u>

For the years ended February 20, 2014 and 2013, directors' remunerations which were included in short-term employee benefits were approved by the ordinary shareholders' meetings of the Company held on June 18, 2013 and June 14, 2012, respectively.

31. PROVIDENT FUND

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

For the years ended February 20, 2014 and 2013, the Company contributed to the provident fund and recorded as expenses, as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Contributory provident fund	20,294	9,608	18,197	8,597

32. EXPENSES BY NATURE

Net profit for the years ended February 20, 2014 and 2013 have been arrived after deducting the following significant expenses:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Staff costs	1,558,076	1,216,497	1,224,884	976,564
Directors and management's remuneration	107,760	90,734	79,497	70,376
Marketing expenses	1,446,289	930,618	1,375,723	899,241
Equipment expenses	549,780	481,001	535,591	476,284
Depreciation and amortization	544,108	563,803	485,700	505,825
Communication expenses	423,844	342,368	387,210	340,017
Premises' expenses	490,070	401,389	456,404	377,930
Outsource collection expenses	63,603	113,080	356,325	359,116
Special business tax & duty stamp	397,401	344,145	371,484	305,725
Bad debts and doubtful accounts	3,842,833	3,129,141	3,765,075	3,090,729
Finance cost	2,060,914	1,780,543	1,953,638	1,679,047

33. CORPORATE INCOME TAX

According to the Royal Decree No. 555 B.E. 2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 27, 2012, the corporate income tax rate was reduced from 30% to 23% of net profit for an accounting period beginning on or after January 1, 2012 and 20% of net profit for accounting period beginning on or after January 1, 2013 but not later than December 31, 2014.

The Company and its local subsidiaries used tax rates of 20% and 23% for corporate income tax calculation for the years ended February 20, 2014 and 2013, respectively. The foreign subsidiary used 20% - 25% for corporate income tax calculation for the years ended February 20, 2014 and 2013.

The Company and its subsidiaries used tax rates of 20% for calculation of deferred tax for the years ended February 20, 2014 and 2013. The foreign subsidiary used 20% - 25% for calculation of deferred tax for the years ended February 20, 2014 and 2013.

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

For the years ended February 20, 2014 and 2013, income tax consists of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax expense for the years	692,078	342,826	568,841	203,435
Deferred income tax expense (revenue)	(56,370)	255,547	(58,736)	210,760
Income tax expense per income statements	<u>635,708</u>	<u>598,373</u>	<u>510,105</u>	<u>414,195</u>

Reconciliations of effective tax rates for the years ended February 20, 2014 and 2013 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2014		2013	
	Amount Baht '000	Rate %	Amount Baht '000	Rate %
Profit before income tax	<u>3,137,173</u>		<u>2,354,798</u>	
Income tax at the domestic tax rate	630,946	20.11	541,603	23.00
<u>Add</u> Tax effect of income and expense not exempted for tax purposes	5,785	0.18	9,458	0.40
Tax effect from tax rate adjustment	-	-	55,250	2.35
<u>Less</u> Tax effect of income and expense exempted for tax purposes	(1,023)	(0.03)	(7,938)	(0.34)
Income tax expense per income statements	<u>635,708</u>	<u>20.26</u>	<u>598,373</u>	<u>25.41</u>

	SEPARATE FINANCIAL STATEMENTS			
	2014		2013	
	Amount Baht '000	Rate %	Amount Baht '000	Rate %
Profit before income tax	<u>2,913,005</u>		<u>2,067,475</u>	
Income tax at the domestic tax rate	582,601	20.00	475,519	23.00
<u>Add</u> Tax effect of income and expense not exempted for tax purposes	8,056	0.28	1,597	0.08
Tax effect from tax rate adjustment	-	-	50,947	2.47
<u>Less</u> Tax effect of income and expense exempted for tax purposes	(80,552)	(2.77)	(113,868)	(5.51)
Income tax expense per income statements	<u>510,105</u>	<u>17.51</u>	<u>414,195</u>	<u>20.04</u>

34. TRANSACTIONS WITH RELATED PARTIES

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

34.1 Investments in subsidiaries (see Note 11.1) as at February 20, 2014 and 2013, are as follows:

Related parties	SEPARATE FINANCIAL STATEMENTS			
	2014		2013	
	Ownership %	Cost Baht '000	Ownership %	Cost Baht '000
Eternal 4 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
Eternal 5 Special Purpose Vehicle Company Limited	26.00	10.4	26.00	10.4
Eternal 6 Special Purpose Vehicle Company Limited	26.00	10.4	-	-
AEON Microfinance (Cambodia) Private Company Limited	100.00	118,160.0	100.00	29,960.0
AEON Insurance Service (Thailand) Company Limited*	100.00	149,224.3	-	-
ACS Insurance Broker (Thailand) Company Limited*	-	-	100.00	90,844.0
ACS Life Insurance Broker (Thailand) Company Limited*	-	-	100.00	58,380.2
ACS Servicing (Thailand) Company Limited	100.00	175,349.1	100.00	175,349.1
AEON Microfinance (Myanmar) Company Limited	100.00	78,889.1	100.00	1,127.1
AEON Leasing Service (Lao) Company Limited	69.00	20,718.2	100.00	30,026.3
Total investments in subsidiaries		542,371.9		385,707.5

* AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

34.2 Business transactions with related parties

34.2.1 Balances with related parties as at February 20, 2014 and 2013, are as follows:

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
		Baht '000	Baht '000	Baht '000	Baht '000
Other Current Assets					
Other receivables					
Eternal Special Purpose Vehicle Company Limited	Related company	-	8,332	-	8,332
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	2,456
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	89,454
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	194,876	-
AEON Insurance Service (Thailand) Co., Ltd.*	Subsidiary	-	-	416	-
ACS Life Insurance Broker (Thailand) Co., Ltd.*	Subsidiary	-	-	-	106
ACS Insurance Broker (Thailand) Co., Ltd.*	Subsidiary	-	-	-	315
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	1,561	324
AEON Financial Service Co., Ltd. (Formerly AEON Credit Service Co., Ltd.)	Major shareholder	344	59	344	59
ACS Capital Corporation Limited	Shareholder and three common directors	294	675	294	675
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	-	-	98	-
AEON Leasing Service (Lao) Company Limited	Subsidiary	-	-	5,972	-
		<u>638</u>	<u>9,066</u>	<u>203,561</u>	<u>101,721</u>

* AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
		Baht '000	Baht '000	Baht '000	Baht '000
Seller loan in Special Purpose Vehicle					
for Securitization (see Note 12)					
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	-	2,650,878
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	466,490	-
		<u>-</u>	<u>-</u>	<u>466,490</u>	<u>2,650,878</u>
Subordinated lending (see Note 13)					
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	1,438,000	-	1,438,000
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	1,399,352	-	1,399,352	-
		<u>1,399,352</u>	<u>1,438,000</u>	<u>1,399,352</u>	<u>1,438,000</u>
Short term loan (see Note 19)					
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	50,000	-
Accounts payable					
AEON Insurance Service (Thailand) Co., Ltd.*	Subsidiary	-	-	106,985	-
ACS Insurance Broker (Thailand) Co., Ltd.*	Subsidiary	-	-	-	52,118
ACS Life Insurance Broker (Thailand) Co., Ltd.*	Subsidiary	-	-	-	37,643
Jay Mart Public Company Limited**	One common director	-	11,060	-	11,060
		<u>-</u>	<u>11,060</u>	<u>106,985</u>	<u>100,821</u>
Other payables					
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	44	-
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	44	368,783
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	119,630	-
AEON Insurance Service (Thailand) Co., Ltd.*	Subsidiary	-	-	8,703	-
ACS Insurance Broker (Thailand) Co., Ltd.*	Subsidiary	-	-	-	4,553
ACS Life Insurance Broker (Thailand) Co., Ltd.*	Subsidiary	-	-	-	6,053
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	30,507	31,833
Aeon (Thailand) Co., Ltd.	Holding shares and two common directors	32	17	32	17
AEON Financial Service Co., Ltd. (Formerly AEON Credit Service Co., Ltd.)	Major shareholder	57,799	1,440	57,799	1,440
Jay Mart Public Company Limited**	One common director	-	2,358	-	2,358
AEON Credit Service Systems (Philippines) Inc.	Holding shares and one common director	-	747	-	747
		<u>57,831</u>	<u>4,562</u>	<u>216,759</u>	<u>415,784</u>

* AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

** Jay Mart Public Company Limited has no common director with AEON Thana Sinsap (Thailand) Public Company Limited as at February 20, 2014.

34.2.2 Transactions with related parties for the year ended February 20, 2014 and 2013 are as follows:

Related parties	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
		Baht '000	Baht '000	Baht '000	Baht '000
Revenue relating to securitization transaction					
(including in credit card income)					
Eternal 4 Special Purpose Vehicle Company Limited	Subsidiary	-	-	534	321,054
Eternal 5 Special Purpose Vehicle Company Limited	Subsidiary	-	-	201,103	830,325
Eternal 6 Special Purpose Vehicle Company Limited	Subsidiary	-	-	582,642	-
		<u>-</u>	<u>-</u>	<u>784,279</u>	<u>1,151,379</u>
Other income					
AEON Insurance Service (Thailand) Company Limited*	Subsidiary	-	-	27,555	-
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	3,045	7,200
ACS Capital Corporation Limited	Shareholder and three common directors	14,594	23,900	14,594	23,900
ACS Life Insurance Broker (Thailand) Co., Ltd.*	Subsidiary	-	-	-	12,812
ACS Insurance Broker (Thailand) Company Limited*	Subsidiary	-	-	-	11,611
AEON Microfinance (Cambodia) Private Company Limited	Subsidiary	-	-	393	-
ACS Trading Vietnam Co., Ltd.	Holding shares and one common director	-	420	-	420
		<u>14,594</u>	<u>24,320</u>	<u>45,587</u>	<u>55,943</u>
Operating and administrative expenses					
Collection service fee					
ACS Servicing (Thailand) Co., Ltd.	Subsidiary	-	-	312,550	319,884
Others					
Aeon Financial Service Co., Ltd. (Formerly AEON Credit Service Co., Ltd.)	Major shareholder	57,741	68,693	57,741	68,693
AEON Insurance Service (Thailand) Company Limited*	Subsidiary	-	-	4,746	-
Aeon (Thailand) Company Limited	Holding shares and two common director	14,020	9,213	14,020	9,213
ACS Capital Corporation Limited	Shareholder and three common directors	26,389	22,839	26,389	22,839
ACS Servicing (Thailand) Company Limited	Subsidiary	-	-	-	36
AEON Credit Service Systems (Philippines) Inc.	Holding shares and one common director	10,592	9,437	10,592	9,437
		<u>108,742</u>	<u>110,182</u>	<u>426,038</u>	<u>430,102</u>
Dividend paid					
Aeon Financial Service Co., Ltd. (Formerly AEON Credit Service Co., Ltd.)	Major shareholder	302,910	193,160	302,910	193,160
ACS Capital Corporation Limited	Shareholder and three common directors	165,600	105,600	165,600	105,600
		<u>468,510</u>	<u>298,760</u>	<u>468,510</u>	<u>298,760</u>
Purchase of computer software					
AEON Credit Service Systems (Philippines) Inc.	Holding shares and one common director	-	29,181	-	29,181

* AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

- For the years ended February 20, 2014 and 2013, other income includes the management and operating fees charged to ACS Capital Corporation Limited, AEON Insurance Service (Thailand) Co., Ltd.* and ACS Servicing (Thailand) Co., Ltd., at the rates of Baht 950,000 per month, Baht 600,000 per month and Baht 400,000 per month, respectively and for the marketing research fee charged to ACS Capital Corporation Limited at the rates of Baht 50,000 per month. Such agreements were terminated on March 31, 2013. Moreover, other income for the years ended February 20, 2014 and 2013 also includes the computer fee charged to ACS Capital Corporation Limited, AEON Insurance Service (Thailand) Co., Ltd.*, and ACS Servicing (Thailand) Co., Ltd., at the rates of Baht 1,000,000 per month, Baht 200,000 per month and Baht 200,000 per month, respectively, and charged to ACS Capital Corporation Limited for marketing support fee at the rate of Baht 200,000 per month.
- Revenues relating to securitization transactions are determined by the Company and the subsidiaries in accordance with securitization projects (see Note 8.5).
- 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 Corporation Limited (Formerly AEON Credit Service Company Limited) as stated in the agreement.
- Pricing policy for other operating and administrative expenses is determined by the Company and related parties based on the cost plus basis.
- Computer programs purchasing price is paid to AEON Credit Service Systems (Philippines) based on specified in the agreement.

* AEON Insurance Service (Thailand) Company Limited has been formed by the amalgamation of the Company's subsidiaries, ACS Insurance Broker (Thailand) Company Limited and ACS Life Insurance Broker (Thailand) Company Limited with effective date since July 1, 2013.

35. LONG-TERM OPERATING LEASE AND SERVICE AGREEMENTS

As at February 20, 2014 and 2013, the Company has long-term operating lease and service agreements with the third parties as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Rental amount			
	2014		2013	
	Within 1 year	Over 1 to 5 years	Within 1 year	Over 1 to 5 years
	Baht '000	Baht '000	Baht '000	Baht '000
Building	193,483	190,562	132,031	125,842
Office equipment	109,924	284,017	38,990	62,510
Vehicle	26,181	21,396	18,258	16,736

	SEPARATE FINANCIAL STATEMENTS			
	Rental amount			
	2014		2013	
	Within 1 year	Over 1 to	Within 1 year	Over 1 to
	Baht '000	5 years Baht '000	Baht '000	5 years Baht '000
Building	157,790	153,243	117,518	98,727
Office equipment	108,601	283,187	38,388	62,213
Vehicle	225,678	20,943	16,923	16,736

36. SEGMENT INFORMATION

Since February 21, 2013, the Company and subsidiaries have adopted TFRS 8 “Operating Segments”. Such TFRS requires a change in the presentation and disclosure of segment information based on the internal reports provided to the Company and its subsidiaries’ Chief Operating Decision Maker to make decisions about assessing the performance of each segment and allocating resources to those segments. The Company and subsidiaries previously presented segment information in financial statements in respect of its business segments in accordance with TAS 14 “Segment Reporting”. As a result, following the adoption of such TFRS, the reportable segment has retrospectively adjusted segment information for the financial statements for the year ended February 20, 2013.

The Company and subsidiaries presented segment information in respect of the business segments based on the management and internal reporting structure. The business segments of the Company and subsidiaries consist of:

Retail finance services : Consist of credit card, hire purchase, personal loans and others
 Other business : Consist of debt collection service and insurance brokerage services

The Company and subsidiaries do not have revenues from transactions with a single external customer amounted to 10% or more of total revenues.

The segment information of the Company and its subsidiaries were presented by domestic and foreign business segments as follows:

36.1 Statement of income for the years ended February 20, 2014 and 2013 classified by business, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
2014					
	Retail finance services		Other domestic	Elimination	Total
	Domestic	Foreign	Business		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	14,781,249	79,117	374,433	-	15,234,799
Inter - segment revenues	785,019	-	387,829	(1,172,848)	-
	15,566,268	79,117	762,262	(1,172,848)	15,234,799
Expenses					
Operating and administrative expenses	6,058,544	64,789	561,750	(598,964)	6,086,119
Directors and managements' remuneration	79,497	9,356	18,907	-	107,760
Bad debts and doubtful accounts	3,839,955	2,878	-	-	3,842,833
Finance cost	2,233,600	2,159	362	(175,207)	2,060,914
Total expenses	12,211,596	79,182	581,019	(774,171)	12,097,626
Net income (loss) before income tax expense	3,354,672	(65)	181,243	(398,677)	3,137,173
Income tax expense	598,461	814	36,433	-	635,708
Net income (loss) for the year	2,756,211	(879)	144,810	(398,677)	2,501,465

CONSOLIDATED FINANCIAL STATEMENTS					
2013					
	Retail finance services		Other domestic	Elimination	Total
	Domestic	Foreign	Business		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Revenues					
Revenue from external customers	11,911,629	12,006	308,710	-	12,232,345
Inter - segment revenues	1,125,736	-	326,711	(1,452,447)	-
	13,037,365	12,006	635,421	(1,452,447)	12,232,345
Expenses					
Operating and administrative expenses	5,081,790	17,597	470,023	(692,281)	4,877,129
Directors and managements' remuneration	70,376	5,213	15,145	-	90,734
Bad debts and doubtful accounts	3,128,919	222	-	-	3,129,141
Finance cost	2,050,208	190	1,615	(271,470)	1,780,543
Total expenses	10,331,293	23,222	486,783	(963,751)	9,877,547
Net income (loss) before income tax expense	2,706,072	(11,216)	148,638	(488,696)	2,354,798
Income tax expense	564,066	123	34,184	-	598,373
Net income (loss) for the year	2,142,006	(11,339)	114,454	(488,696)	1,756,425

36.2 Financial position as at February 20, 2014 and 2013 classified by business, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
2014					
	Retail finance services		Other domestic	Elimination	Total
	Domestic	Foreign	Business		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Accounts receivable and other receivable	57,411,966	446,260	307,881	(4,823,244)	53,342,863
Leasehold improvement and equipment					
and intangible assets	1,171,578	45,824	119,682	-	1,337,084
Other assets	6,592,366	75,619	356,041	(1,067,390)	5,956,636
Total assets	65,175,910	567,703	783,604	(5,890,634)	60,636,583
Total liabilities	56,407,685	348,168	313,016	(5,339,735)	51,729,134

CONSOLIDATED FINANCIAL STATEMENTS					
2013					
	Retail finance services		Other domestic	Elimination	Total
	Domestic	Foreign	Business		
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Accounts receivable and other receivable	48,564,190	38,590	249,449	(4,836,085)	44,016,144
Leasehold improvement and equipment					
and intangible assets	1,105,022	6,980	129,925	-	1,241,927
Other assets	8,476,009	68,530	233,481	(3,022,837)	5,755,183
Total assets	58,145,221	114,100	612,855	(7,858,922)	51,013,254
Total liabilities	50,915,956	70,722	241,753	(7,473,214)	43,755,217

37. DISCLOSURE OF INFORMATION RELATING TO FINANCIAL INSTRUMENTS

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

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

37.1 Accounting policies

Details of significant accounting policies are disclosed in Note 5.

37.2 Credit risk

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

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

37.3 Interest rate risk

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

The Company did not anticipate any interest rate fluctuation risk which may have a material effect on the result of operations as all of the loans carrying floating interest rates have been hedged. Details of interest rate swap agreements and cross currency interest rate swap agreements are disclosed in Notes 22 and 23.

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

37.4 Foreign exchange risk

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

In addition, in order to manage risk from fluctuation in currency and interest rate, the Company has entered into various cross currency interest rate swap contracts to hedge its long-term debts as disclosed in Notes 22 and 23.

37.5 Estimated fair value of financial instruments

Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentation” requires certain fair value disclosures. Management’s considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amount that could be realized in a current market exchange.

The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair value of financial instruments.

Cash and cash equivalents, accounts receivable and other receivables, short-term loans from financial institutions and accounts payable and other payables; the carrying values of outstanding balances approximate their fair values due to relatively short period to maturity.

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

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

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at February 20, 2014		As at February 20, 2013	
	Carrying	Fair value	Carrying value	Fair value
	value			
	Baht '000	Baht '000	Baht '000	Baht '000
Long-term loans bearing fixed interest rate	12,453,194	12,367,400	9,132,435	9,102,165
Long-term loans bearing floating interest rate	29,394,711	28,473,852	23,773,334	23,389,756
Long-term debentures bearing floating interest rate	4,974,869	4,655,048	3,152,972	3,050,509

The carrying amount and estimated fair value of receivables and/or payables per currency and interest rate swap contracts are as followings:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 20, 2014				
	Carrying amount			Fair value
	Less than 1 year	1 - 5 years	Total	Gain (Loss)
	Baht '000	Baht '000	Baht '000	Baht '000
Receivable per currency swap contracts				
Cross Currency Swap Contracts	55,173	130,786	185,959	100,165
Cross Currency Interest Rate Swap Contracts	505,893	818,966	1,324,859	714,962
	<u>561,066</u>	<u>949,752</u>	<u>1,510,818</u>	<u>815,127</u>
Payable per currency swap contracts				
Cross Currency Interest Rate Swap Contracts	(333,201)	(802,168)	(1,135,369)	(1,762,408)
	<u>(333,201)</u>	<u>(802,168)</u>	<u>(1,135,369)</u>	<u>(1,762,408)</u>
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at February 20, 2013				
	Carrying amount			Fair value
	Less than 1 year	1 - 5 years	Total	Gain (Loss)
	Baht '000	Baht '000	Baht '000	Baht '000
Receivable per currency swap contracts				
Cross Currency Swap Contracts	-	2,502	2,502	(8,492)
Cross Currency Interest Rate Swap Contracts	50,096	14,347	64,443	10,842
	<u>50,096</u>	<u>16,849</u>	<u>66,945</u>	<u>2,350</u>
Payable per currency swap contracts				
Cross Currency Swap Contracts	(157,895)	(27,202)	(185,097)	(204,373)
Cross Currency Interest Rate Swap Contracts	(371,641)	(1,260,571)	(1,632,212)	(2,057,369)
	<u>(529,536)</u>	<u>(1,287,773)</u>	<u>(1,817,309)</u>	<u>(2,261,742)</u>

38. CREDIT FACILITIES AND LETTER OF GUARANTEE

- 38.1 As at February 20, 2014 and 2013, the Company has the committed and unsecured revolving credit facility agreements with a financial institution for general corporate funding requirements totaling Baht 400 million. Such credit facility is still unused.
- 38.2 As at February 20, 2014 and 2013, the Company has unused overdraft facilities with various banks totaling same amount of Baht 935.10 million and Baht 100.10 million, respectively. Such overdraft facilities are unsecured.
- 38.3 As at February 20, 2014 and 2013, the Company has bank's letter of guarantees issued to suppliers for guarantee payment of Baht 0.3 million and Baht 2.50 million, respectively. Such letter of guarantees is unsecured.
- 38.4 As at February 20, 2014 and 2013, the subsidiaries have letters of guarantee issued by banks in the amounts of Baht 3.62 million and Baht 3.37 million, respectively.

39. SIGNIFICANT AGREEMENTS RELATING TO SECURITIZATION TRANSACTIONS

- 39.1 The Company entered into the Receivables Sale and Purchase Agreements with Eternal 3 Special Purpose Vehicle Company Limited (ESPT), Eternal 4 Special Purpose Vehicle Company Limited (Eternal 4), Eternal 5 Special Purpose Vehicle Company Limited (Eternal 5) and Eternal 6 Special Purpose Vehicle Company Limited (Eternal 6) (“the subsidiaries”), on February 6, 2006, June 25, 2007, May 20, 2010 and May 14, 2013, respectively. Such agreements set out the procedures and terms in respect of the sale and purchase of the Initial Receivables on the Closing Date, for Future Receivables on each Purchase Date and for Additional Receivables on each Monthly Purchase Date including the rights, obligations and responsibilities of both parties. The Receivables Sale and Purchase Agreements also set out the terms and conditions in respect of the resale and repurchase of the Ineligible Receivables and Defaulted Receivables.

As at February 20, 2014, the agreements with ESPT, Eternal 4 and Eternal 5 were terminated due to the end of securitization projects.

- 39.2 The Company entered into the Servicing Agreements with the ESPT, Eternal 4 and Eternal 5 and Eternal 6 (“the subsidiaries”) on February 6, 2006, June 25, 2007, May 20, 2010 and May 14, 2013, respectively. Based on such agreements, the subsidiaries appointed the Company (as a transferor and servicer) to provide certain administration services (including record keeping and producing written reports relating to the Collections), to act as the collection agent and other services for credit card receivables in relation to the Purchased Receivables. In addition, the Servicing Agreement also set out other relevant terms, such as the scope of the services, the payment of service fees, the termination of the appointment of the Servicer and the Back-up Servicer appointment of the substitute servicer.

As at February 20, 2014, the agreements with ESPT, Eternal 4 and Eternal 5 were terminated due to the end of securitization projects.

40. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issuing by the Company’s authorized director and the Audit Committee on April 17, 2014.



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